



Cleveland**Saves**Week 2008



Be it ever so humble, there's no place like home.
-John Howard Payne

Buying a Home

Home ownership and good credit go hand in hand. A good credit report will allow you to shop for the best mortgage rate. Otherwise, you may need to work with a lender that works with people with poor credit and charges a higher interest rate.

Improving your credit report and your credit score is not as difficult as it may sound. It does require determination, stamina and an eye on the long-term goal.

Repairing your credit report:

If your credit report is spotty and your score not as high as you would like it, its time to do something about it.

1. Put away all your credit cards except for 1 or 2 (Pick 2 that are accepted everywhere)
2. Pay ALL your bills on time (on or before the Due Date). Today many Utility companies report payment schedules so it's important to pay all bills on time.
3. Work with Cleveland Credit Counseling Service to set up a repayment plan if necessary
4. Throw away those credit offers.

After 6 months of perfect payment history, call the credit card company and ask if they would consider lowering your interest rate. Even 2-3 points will make a big difference!

Ready for That New House?

Example:

You've walked through the neighborhood. You've browsed through the newspaper ads. The house you would like to buy will cost \$100,000.

1. How much do you have for a down-payment?
2. Are you eligible for a mortgage without a down-payment?
3. How much is your current rent payment?
 - a. Buying a house will require you to pay the mortgage payment, the real estate taxes, all the utilities (water and sewer is usually included in the rent) and repairs.
4. What can you do to reduce the monthly payments?
 - a. Buy a less expensive house
 - b. Buy a house in an area with lower taxes
 - c. Save a while longer to create a larger down-payment and a smaller mortgage



your starter kit:

Your Dreams about owning a house:

1. _____

The Specifics:

When? _____

How much can I afford?

Potential Mortgage payment _____

+ real estate taxes _____

+ all utilities _____

+ monthly repairs \$50-100 _____

= \$ _____

Can I really afford that amount every month? How can I reduce my monthly payment but still own a house?

What Do I have to Start With? : _____

New Steps:

Sources of
Help & Information

Cleveland Saves
Tel: 216-325-7126 • Web: www.clevelandsaves.org

Consumer Credit Counseling Services
800-355-2227 • Web: www.cccservices.com

Financial Planning Association
Tel: 800-322.4237 • Web: www.fpanet.org

Home Ownership Learning Center
Web: www.homeloanlearningcenter.com

Cleveland Housing Network (CHN)
Web: www.chnnet.com

Neighborhood Housing Corporation
Web: www.nhscleveland.org

Annual Credit Reports
Web: www.annualcreditreport.com

Go to Cleveland Saves
web site for
additional resources:
clevelandsaves.org