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First Time Home Buying Tips

Is this your first time taking the plunge into the home buying waters? Well then, congratulations! Buying a home is one of the best things you can do to increase your net worth. The process can be fun - visiting open houses, making a list of the things you must have in your home. But home buying also is one of the most complicated tasks any of us ever undertake. Do your homework. Read all you can about the process of purchasing a home. Talk to Realtors, mortgage brokers -- anyone who has solid and intelligent information on buying a home. You won't be sorry.

To get you started, here is a list of four home buying tips:

Tip Number 1: Know Your Pocketbook's Limit

Yes, we all want our dream home. But be realistic. This is your first time as a home buyer. You may not be able to afford a 2000-square-foot, four-bedroom home on a quarter acre. Take a look at your income. Most experts suggest your mortgage payments, homeowner insurance and property tax should be no more than 29 percent of your annual salary. So if you're bringing in \$50,000 a year, you should aim for \$12,500 in mortgage/taxes/insurance. Otherwise, you could be what is called "house rich and cash poor." Don't let your home buying desires make your day-to-day a living misery once you're in your home.

Tip Number 2: Clean up Your (Credit) Act

As soon as you get your home buying dreams under control, it's time to check out your credit score. The better your score -- and anything higher than a score of 690 is considered good; anything lower than 620 is, well, not-so-good -- the better chance you have of getting a mortgage. If your score is poor, work to raise it. Pay your bills on time - getting your credit card payment in even just a day late can ding your credit score big time.

Tip Number 3: Never Fall in Love with a House

As you go on your house hunting safari, you should visit many houses. At least a dozen. See one you love? Well, keep a hold of yourself. Don't let the seller's real estate agent know of your lust -- you will put yourself at a disadvantage when you negotiate in this transaction. Remember, it's just a house, an inanimate object.. No matter what, be prepared to walk away.

Tip Number 4: Find a Real Estate Broker

A real estate broker has more experience than a real estate agent. A broker must go through 60-90 hours of formal training and have a minimum of 1-3 year selling real estate and guiding people through the buying and home selling process. Be sure to ask any real estate sales person if he or she is a broker or an agent. This is your first-time

home buying experience; make sure you have a true professional who can guide you through it.