

1. How much should I budget for closing costs and fees?

There are many costs to potentially prepare for such as costs for an appraisal, title insurance, closing costs, and other insurances. The amount you need to budget for depends on many factors. Typically, closing costs and fees can add up to 3% – 6 % of the cost of the home. It is worth budgeting for ahead of time, however, there are possible options to lessen the financial burden such as seller's help or factoring these costs into monthly payments.

2. What is the difference between a pre-qualification and pre-approval?

A pre-qualification and pre-approval are not the same thing, although many mistake them as so. A pre-qualification is simply an educated estimate of what you may be approved for when financing a home. A pre-approval is the verified, official estimate of the amount you are approved for borrowing. It is very important to get pre-approved prior to house hunting as this will give you a better chance of getting the home you want.

3. Why does my credit score matter when buying a home?

Your credit score is one of the heavily assessed factors when determining if you qualify for a loan. When providing a loan, the lender needs to make sure that the borrower will repay the loan properly, and that the borrower has a positive history of repayment. Your credit score shows a decent representation of a borrower's ability to make payments on time!

4. What credit score do I need to buy a home?

Each loan program has unique eligibility requirements.