

Is Homeownership Right for You?

Buying a home is the largest purchase most people will ever make. Homeownership has great benefits. Homeownership also comes with certain responsibilities.



Are you ready for homeownership? Look at your current situation and determine if:

- You have a continuing and reliable source of income prior to applying for the loan.
- You have a [credit history](#) that shows you're ready for homeownership.
- Your total debt is manageable and you can afford to take on the [costs associated with homeownership](#).
- You have money saved for a [down payment and closing costs](#).

Why Own?

There are many great reasons to own a home:

- **You'll have a place that is yours!**
You'll own it, have a place to raise your children and become a part of your community. You can pass your home down to your children, and their children, creating security for generations to come.
- **You may pay less to own a home than you would to rent – and it's yours at the end!**
Homeownership can reduce the federal income taxes you pay. You can deduct the interest on your mortgage and property taxes you pay on your home on the tax returns you file each year. These tax savings partially reduce, or offset somewhat, the actual cost of owning your home.
- **Your monthly payments won't ever go up if you choose a fixed-rate mortgage!**
If you choose a mortgage with a fixed-interest rate (one that stays the same for the life of the loan, say 30 years), you'll pay the same mortgage payment each month for the entire 30 years of the loan.
- **You build a good nest egg!!**
Owning a home is the single greatest source of financial security and independence for the majority of people who've taken this step. You can have it, too!

Myths About Homeownership

Lenders evaluate mortgage applications a lot differently today than they did even 10 years ago. And even more has changed in the last 20 years. What used to close the door to homeownership may not be a factor today.

Here are some common homeownership myths:

Myth: You need great credit to become a homeowner.

Fact: You may still be able to buy a home with less-than-perfect credit. And remember, you can improve [your credit](#) over time.

Myth: You need to put 20% down to buy a home.

Fact: There are many types of mortgage products and programs that allow low and no [down payments](#). But remember to factor in other costs such as closing costs, property taxes, moving expenses, and repairs.

Myth: You can't buy a home in the U.S. if you're not a citizen.

Fact: If you're a legal resident, you can purchase a home in the U.S.

Myth: If you don't have a bank account or credit cards, you can't qualify for a mortgage.

Fact: Having a bank account is always a good idea and helps you [establish credit](#). However, lenders can approve you for a mortgage even if you don't have a bank account or credit cards. You'll likely need to keep records showing a history of payments you've made for items such as rent, utilities, and car payments.

Myth: Lenders share your personal financial information with other companies.

Fact: By law, banks and other financial institutions are restricted in their uses and disclosures of information about you. In some situations, you may choose to restrict the disclosure of your information if you don't want it to be shared.

Myth: If you're late on your monthly mortgage payments, you'll lose your house.

Fact: If you have a financial hardship, like the death of your spouse or a medical emergency and fall behind, it's possible to [keep your home](#) and get back on track if you contact your lender early.

Myth: You can't get a mortgage if you've changed jobs several times in the last few years.

Fact: Not true. You can change jobs several times and still get a loan to buy a home. Lenders understand that people change jobs. The important thing is to show that you've had a stable income.