



## Budget For Buying Your First Home checklist



### How to Prepare & Budget for Your New Home Costs

#### BEFORE YOU BUY

- Down Payment**  
Allow yourself enough time to save a 5-20% down payment to qualify for most loans (remember you will need to pay Private Mortgage Insurance (PMI) if you have less than a 20% down payment).
- Moving Expenses & Utility and Services Charges**  
Estimate Costs & Allow yourself enough time to save for Moving Expenses and any Utility Connection or Service Start Up Costs.
- Avoid “Payment Shock”**  
“Payment Shock” is the adjustment from paying your typically lower Rent to paying your typically higher Mortgage. For at least 6 months prior to purchasing, you may consider writing 2 checks - 1 to your landlord for Rent, and 1 to yourself for the difference between your Rent & anticipated Mortgage - to experience what the new payment will be like. Deposit the difference into savings to get a head-start on future expenses.

#### AFTER YOU BUY

- Monthly Expenses**  
Remember to Budget for typical monthly expenses like Utilities, Landscaping, Garbage Removal Snow Removal, etc.)
- Repairs & Maintenance**  
Remember to anticipate typical Repair & Maintenance Costs associated with homeownership. A good rule of thumb - save 1% of your home’s value annually to assist in covering these costs.
- Insurance Costs**  
Remember to anticipate & budget for any Homeowner’s Insurance Costs and PMI (if required)
- Property Taxes**  
Remember to anticipate and save for annual Property Tax costs
- Tax Deductions - Help from the IRS?**  
Remember to anticipate Tax Deductions for Property Taxes & Mortgage Interest if you itemize deductions on your tax returns. Consult with your tax advisor about withholding less taxes every month if you anticipate a refund due to these itemizations - don’t wait to get your money - every bit helps to cover your new month to month housing costs.