

10 HOMEBUYING MYTHS TO MOVE PAST

Buying a home doesn't have to be scary. Move past the homebuying myths with the facts!



OUTSTANDING DEBT = NO MORTGAGE

Not all debt is bad debt. Paying car or student loans on time can show a lender that you are financially responsible. Lenders typically want your housing expense not to exceed 28% of your monthly income and your monthly debts not to exceed 36% of your monthly income. This is called the 28/36 rule.

Bills to pay

- Car Payment
- Student Loan
- Credit Cards
- Insurance



BAD CREDIT = NO HOME

Poor credit does not mean your dream of owning a home is lost. A path to homeownership still exists. For many first-time home buyers with low credit, an FHA loan may be an option. Click >>[HERE](#)<< to learn about the array of loan products offered by Peoples Mortgage.

RENTING IS CHEAPER THAN OWNING

In most markets, the monthly payment to rent a home is comparable to a monthly mortgage payment. The main difference is, when you pay rent, you are building someone else's long term financial goals rather than your own.



BUY THE WORST HOUSE IN THE BEST NEIGHBORHOOD



For the greatest bargain, conventional wisdom says: seek out the worst home in the best neighborhood. However, there's better advice: buy the worst home in the hottest neighborhood. And by hot, we're talking a neighborhood that is experiencing a higher-than-average home value appreciation.

ALL LENDERS WERE CREATED EQUAL

All lenders were not created equal. In fact, it's good practice to compare rates, check reviews and ultimately, find a lender you can absolutely trust like Peoples Mortgage for instance. Click on the STARS to learn what previous borrowers have said about Peoples Mortgage.



I HAVEN'T BEEN AT MY JOB FOR TWO YEARS

As with most rules there are exceptions. The two year employment rule is more like "good practice". Lenders like to see steady employment for two years, however, in many cases, career transitions are acceptable.

WAIT FOR YOUR PERFECT HOME

No matter how hard you look, your perfect home will forever elude you. And that's perfectly okay. A good way to manage expectation is to focus on reaching 70-80% of your home wish list, rather than aiming for 100%. Redefine your perfect.



IT'S NOT A GOOD TIME TO PURCHASE A HOME

There's no time like the present. With interest rates being historically low as they are, just the slightest uptick could mean thousands of dollars more out of your pocket.

YOU SHOULD BUY AS MUCH AS YOU QUALIFY FOR

You should buy as much as YOU'RE comfortable with. As an example, if your monthly income is \$5,000 per month then your mortgage payment shouldn't go beyond \$1,400 per month. Ultimately, you determine your budget, not your lender. Click on the [calculator](#) to determine how much house you can afford.



20% DOWN IS A MUST TO GET A MORTGAGE

This is perhaps the biggest myth of all. Conforming loans are available with as little as 3% down. VA and USDA Home Loans offer 0% down and 100% financing. Down payment assistance may be available for qualified borrowers.