

7 things you need to know about... **Buying your First Home**

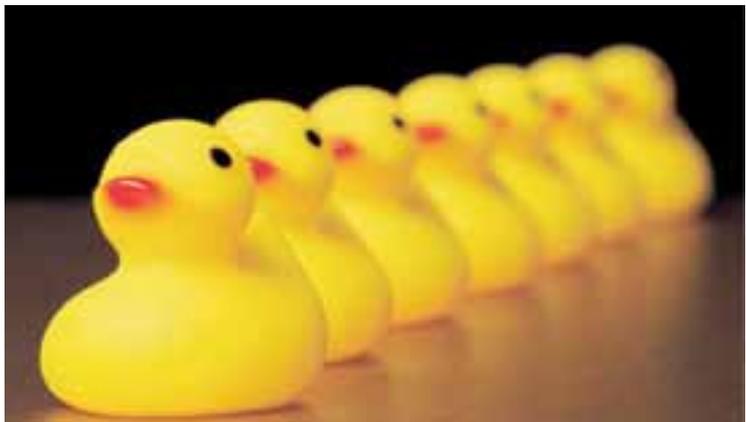
When thinking about buying your first home it can be a little scary. But never fear the advisors at Barr Mortgages are here with seven of their insider secrets to help allay your worries...

Here are Barr Mortgages' seven things to know but were afraid to ask about buying your first home.

1 Get your finances in order

Find out what your credit report and credit score is and correct any inaccuracies. Your credit score will determine your ability to borrow money. A credit score reflects how much money you owe, how often you use credit and whether you pay your bills on time.

Lenders look at factors called the four C's of credit: credit history (timely bill paying), capital (money available for a down-payment), capacity (income versus debt), and collateral (the value and condition of the house). It is important that you understand what a lender is looking for and what counts most in your favour regarding your finances so that you are prepared and able to get the best mortgage loan package available to you.



Remember: *If you have never had credit before ie. a loan or credit card you may find it more difficult to get a mortgage. Crazy isn't it - but lenders like to see you being able to manage a line of credit.*

2 Does owning your home fit your lifestyle?

There are some situations where renting may be a better financial option than buying a home. If you will be in a particular community for less than three years, if the local economy is not doing well, if unemployment is rising, or if your future income will not provide you with enough for mortgage payments and other financial responsibilities to owning a home, then renting may provide the better option.

Remember: *Owning a home isn't just about making the mortgage payments. You will need to factor in maintenance and repairs.*

3 Shop around

When it comes to making the biggest single financial commitment of your life it's worth shopping around for everything to do with your first home purchase.

Whether that's the mortgage, professional advice or services, removal companies or even utilities, it pays to compare prices and service.

Remember: *Getting advice from an independent mortgage broker could save you thousands of pounds over the term of your loan.*



Seven magnificent secrets for... First Time Buyers

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4 Be selective

When it comes to choosing a new home take your time and do the research.

Look at the location and amenities. Check the council tax band and local crime figures for the area. Don't be simply swayed by falling in love with the 'place'.

Remember: You are making an investment. Yes it's going to be your new home and you need to be happy living there but eventually you will probably want to sell and move on. Better to have a property in an area that people want to live than not.



5 Check it out

When you make an offer to the seller to purchase a home make sure the estate agent understands that the offer is subject to a survey that indicates no major problems. Then, even if your survey does show up defects you will be able to negotiate the price down to accommodate these.

Remember: Always have more than a valuation survey conducted on your prospective home purchase. It may cost a few hundred pounds now - but could save you thousands in the future.

6 Don't rush

Take your time and don't be pushed or rushed into signing any documents or making decisions until you know exactly what they mean. Don't be afraid to ask those 'silly' questions and get the answers that you are satisfied with and fully understand.

Remember: Once you sign on the dotted line you have made a legally binding contract.

7 Home is where the purse or wallet is!

The cost involved in owning your own home often surprises many first time buyers. Things like a boiler breaking down and needing to be replaced, new furniture or redecoration can quickly eat into any surplus or savings. If possible the advice from the professionals is to have at least three months salary saved for any unforeseen events.

Remember: Unlike renting if things go wrong only you can put them right. When planning your monthly budget include a contingency for saving for those rainy days.



The advisors at Barr Mortgages have helped first time buyers. You are welcome to ask us any questions about buying your first home and get some straight forward impartial advice. Call 01237 472321 or if you are local, pop in and see us.

For more information on any aspect of mortgages, life insurance, home insurance or wills please visit our website at www.barr-fs.com