**Seven Secrets for First-Time Homebuyers**

1. **Visit a certified housing counselor at a nonprofit organization.**  
   Housing counselors credentialed through a nonprofit agency provide objective advice and unbiased recommendations.
2. **Get your finances in order.**  
   Find out what your credit report and credit score are and correct any inaccuracies. Lenders look at factors called the four Cs 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).
3. **Look for down-payment and closing-cost assistance programs.**Some nonprofit organizations and state or local government agencies can help you with down payment and closing costs through grant money or low-interest loans.
4. **Make sure homeownership fits with your lifestyle.**  
   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 in owning a home, then renting may provide the better option.
5. **Shop around for everything related to your home purchase.**  
   Follow the “rule of threes” by comparing at least three products, professionals or services before making your final selections.
6. **Get pre-approved for financing before shopping for a home.**  
   Pre-approval is different from pre-qualification, which refers to when a lender calculates how much mortgage you likely can afford based on unverified information. A preapproval is a guarantee that the lender will loan you a fixed amount of money, as long as the property appraises over the amount for which you are qualified and you buy within a certain time period.
7. **Carefully select a location.**  
   Research area schools, property tax rates, insurance rates, and crime statistics. Spend time thinking about things that may be important.

\*You can order your credit report and credit score from each of the three major credit reporting agencies: [Experian](http://www.experian.com/); [Equifax](http://www.equifax.com/); and [TransUnion](http://www.transunion.com/). For more information on credit scoring, visit [www.myfico.com](http://www.myfico.com/).