

1 **Your First Step:**
Check your Credit Report

Now that you are considering buying a home it's a good idea to check your credit report three to six months in advance of applying for a mortgage. Lenders use information on your credit report to help decide whether you are credit worthy and to determine how much of a loan you can afford. A credit report that shows late payments can hurt your chances of getting the mortgage you want.

To make certain your credit reports are accurate. Call the major national credit bureaus – Equifax 800-685-1111 and Experian 888-397-3742 request a copy of your report. Some companies will provide one free report per year, or otherwise charge a nominal fee.

If you find an error in the report, immediately notify the agency in writing and include any documents you have to support your case. Keep in mind that credit problems, unless cleared up, can remain on your credit report for up to 10 years. The Fair Credit Reporting Act requires credit bureaus to investigate errors within 30 days of notification and to fix any errors that you find.

Chances are if you have paid your bills on time for the last two years your credit record is probably in good shape. But if you have been denied credit in the past or have had serious credit problems, don't give up your quest for a home. Check out our homebuyers club and credit counseling services at 239-495-7100. www.bsahdc.com

2 **Your Second Step:**
How much House can you afford?

Here's how to estimate your monthly principal and interest payment on a 30 year rate mortgage:
 -Find the rate of your mortgage in the left column
 -Multiply the factor by the number of thousands of dollars you plan to borrow.
 -The result would be your monthly principal and interest payment.
 Example: (A home loan at 7.5% on a \$100,000 loan, multiply the factor x 6.9922 by 100. = \$699.22 principal and interest payment)
 A good rule of thumb is to add an additional \$300. a month to cover real estate taxes and homeowners insurance to your monthly payment amount.

Payment Estimate			
Rate%	Factor	Thousands	Monthly Pmt
6.00	5.9955	_____	_____
6.25	6.1572	_____	_____
6.50	6.3207	_____	_____
6.75	6.4859	_____	_____
7.00	6.6530	_____	_____
7.25	6.8218	_____	_____
7.50	6.9922	_____	_____
7.75	7.1641	_____	_____
8.00	7.3377	_____	_____
8.25	7.5127	_____	_____
8.50	7.6891	_____	_____
8.75	7.8670	_____	_____
9.00	8.0462	_____	_____
9.25	8.2300	_____	_____
9.50	8.4100	_____	_____
9.75	8.5900	_____	_____

3 **Your Third Step:**
Qualifying for your mortgage!

Bonita Springs Area HDC's New Home Construction Program: Offers first time home buyers down payment and closing cost loans of up to \$95,000. The assistance programs that provide the funds require restrictions of resale and the repayment of funds.

SHIP and HOME funds may be forgiven at the end of 15 years. HOP funds have additional restrictions and require repayment... Please call us at **239-495-7100** for current requirement information and to check to see if funds are available.

Rural Development: Offers New Construction Loans, Home Repair Loans and Grants. Mobile Homes and site built homes are eligible.

Florida Housing Finance Corporation: Offers first time homebuyers below market interest loans. For information please call: **850-488-4197**

Habitat for Humanity: 239-772-0337

Veterans Administration Loans: 0 down available; check with your lender/bank for details.

HUD Homes: Check with your realtor.

How to apply:

It is as easy as one, two, three!

Request an application. The Applications are available at the Bonita Springs Area Housing Development Corporation, 27499 Riverview Center, Suite 138, Bonita Springs. If you are unable to come into the office, you may request an application by phone and one will be mailed to your address or you can download the application online at: www.bsahdc.com

Fill out the application form and return to the Bonita Springs Area Housing Development Corporation. Please remember to sign the application and attach copies of the verification documents requested in your application packet.. Application processing is on a first come first complete served basis. Incomplete applications can not be processed and will delay your notification of eligibility

Provide all requested verification items and the credit report fee of \$20. per applicant.. You will be notified in writing in approximately 30 days if your file is approved or denied. Your letter will invite you to schedule your first counseling appointment to review your file and assist you with a plan to achieve the requested service you applied for on your application. (Down Payment, New Construction, etc.)

What do I need to attach to the application?

1. All items on the application checklist;
2. And the credit report fee of \$20. per applicant money order or cash. Either \$20 or \$40 dollars.

www.bsahdc.com

What does it take to own your own home?

- ✓ A steady income for the past two years.
- ✓ Sufficient income to pay your mortgage and your current bills.
- ✓ A credit history that shows you have paid your previous bills on time.
- ✓ Down payment and closing cost funds.
- ✓ A prequalification letter from the lender, bank, or Mortgage Company of your choice stating that you are qualified to receive a loan for home purchase (This is commonly called a "good faith estimate.")

Our program is open to all without regard to race, color, sex, handicap, religion, familial status, or national origin

**Bonita Springs Area Housing
Development Corporation**
27499 Riverview Center Blvd, Suite 112,
Bonita Springs, FL 34134,
Phone 239-495-7100. Fax 239-495-7694
www.bsahdc.com



Guide to Homeownership Assistance

It's as easy as

1...

2...

3...

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