



Buying A Home

Worksheets Etc.



Here we have a group of worksheets and calculators that will assist you in preparing to buy your home.

You can make lists of things you need for your lender. Wish lists for your dream house. Lists so that you keep straight in your head what you can afford. A home inspection checksheet, just so you can inspect your home inspector – and have an idea of what to keep an eye out for when you lay eyes on your dream house.

You can calculate a whole host of things: from whether you should rent, to what kind of loan you should get, to how much you can afford. You may be able to calculate the inverse of the sum of the square of a right triangle, for all we know, but you probably don't want to.

It's certainly advisable to have things in front of you in black-and-white. The more organized you are in this endeavor, the better off you'll be. And the clearer you are about assumptions you're making in thinking about the finances, the less likely you are to have a big shock.



Bottom Line

What Can You Afford?

Fill in the information below for your average costs in a year. (If you know your weekly average take that number and multiply it by 52 to get an annual figure.)

This worksheet is for you, not for your lender. It has more information than they need to know.

Income

Salary, tips, wages _____
 Dividends & Interest
 from investments _____
 Bonuses _____
 Any other income _____
 + _____

Total Income

Expenses

Income taxes _____
 Social security taxes _____
 Other taxes _____
 Savings _____
 Food _____
 Insurance _____
 Health bills (not covered
 by insurance) _____
 Car loan _____
 Car expenses _____
 Credit card bills _____
 School loans _____
 Other loans _____
 Child care _____
 Clothing _____
 Education _____
 Entertainment _____
 Vacations _____
 Charity _____
 Miscellaneous _____
 + _____

Total Expenses

Now deduct your total expenses from your total income.

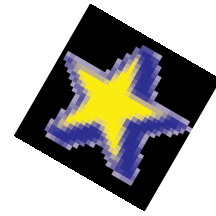
Total Income _____
 Total Expenses _____
 - _____
 Discretionary Income _____

Now divide your annual discretionary income by 12 to get a monthly figure.

This is the amount of money that you have left over each month after you pay all of your bills and put away your savings. How much do you have? How much of that are you prepared to put toward your housing expenses each month?

Upon A Star

Your Wish List



I can see it now in my mind. It's a rustic A-frame on 10 wooded acres in the mountains of North Georgia. It has a great room with a tremendous stone hearth where a warm fire crackles. The master bedroom has a huge glass wall that overlooks the valley below, and as I sip my steaming cup of java, I watch my hound dog chase raccoons in the mist. (Or are those gorillas in the mist?) Out back is a stream that separates my land from a state park teeming with wildlife.

It's heaven -- it's my dream house.

Now that you know how much you can afford, it's time to visualize your dream home. Decide what it is that is most important to you. Almost as important, is there anything that is so repugnant you won't tolerate it even if everything else is perfect?

Think about the houses of friends and family that you've visited in your life. Which seemed most homey to you? Do you want a white picket fence and a two-car garage? Or is a townhouse in the cool part of the city near a Starbucks more your cup of java?

Answer the questions below and go through the checklist. Decide which items are most important to you. If you're buying your new home with someone else, have them fill out the same checklist and then compare answers. Pay special attention to those items that one of you absolutely does not want. Often times, these items can be more of a sore point than not getting something you want very badly.

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1. What kind of area do you most want to live in? Rural? Suburban? Urban?
 2. Is there a particular kind of architecture that is important to you? Cape Cod? Rancher? Townhouse?
 3. How much land do you want?
 4. How many bedrooms and bathrooms?
 5. How many levels do you want?
 6. What kind of construction material do you want? (Brick, adobe...)

Rate the following qualities according to importance.

Item	Mega-Important	Kinda-Important	Don't Care
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Large yard

Fenced

Off-street parking

Garage

Porch

Pool

Basement (finished?)

Large kitchen

Appliances included

Gas appliances

Electric appliances

Separate dining area

Foyer

Fireplace

Wood floors

Large closets

Close to work

Close to shopping

Close to good schools

Close to recreation

Close to major thoroughfare

Now, make a list of things you absolutely do not want in your new home. These can include things like a busy highway nearby, neighbors that are so close you have no privacy, or windowless bathrooms.



Watch This

Site Visit Checklist

Put on those walking shoes, grab your Realtor, and let's go look at some houses!

Print out the checklist below and fill it out for each house you visit. You don't have to get too specific on this visit. Just get a general feel for the house. Later on, if you really like it, we'll go back and get those other important details.

Address	Plumbing
House type (detached, semidetached, town-house/rowhouse, condo)	Electrical
Year built	Air conditioning (central or window, capacity, age, condition)
General condition	Basement (finished, condition, signs of water damage)
Square footage	Number of bedrooms (size and closets)
Type of siding and condition	Number of bathrooms (size and features, where located)
Type of roofing and condition	Kitchen (size and description, room for eat-in, cupboard and counter space, single or double sink, layout for fridge and stove placement)
Type of windows/doors and condition	Living room (size and description)
Condition of foundation	Dining room (size and description)
Condition of eaves troughs and downspouts	Storage space (closets, attic, basement (finished or unfinished), etc.)
Garage and driveway	Laundry room (where located in house, sink, room for appliances, etc.)
Any outstanding features (pool, unique architecture)	Attic (room for storage, easy access, ventilated)
Lot	Other rooms
Size and shape	Appliances included (type, condition, warranties)
General condition of lot	Property taxes (annual)
Landscaping features (fences, trees, shrubs, patio)	Condo fees (if applicable)
Character of neighborhood	Asking price
Interior	Price you would offer
Type of insulation and where installed	Other comments
Condition of interior walls	
Type of floors and condition	
Type of heating system/fuel (age and condition of furnace, condition of heat ducts, placement of heating outlets, thermostat)	

Looky Here



Home Inspection Checklist

Exterior

Grade

Driveway

Foundation

Roof and chimney

Eavestroughs and downspouts

Windows and doors

Garage

Interior

Basement

Plumbing

Heating and air conditioning

Electrical

Walls, ceilings, and trim

Floors

Doors

Cabinets and countertops

Ventilation

Fireplace

Kitchen appliances

What They'll Ask

Documentation for Your Mortgage

By George Runkle

Lenders go to great lengths to lessen their risks. At times, it feels like you are being treated like a possible criminal. Other times it may seem like your loan is the first that your loan processor has laid eyes upon. In either case, often hard-to-obtain documents are requested at the last minute, sometimes putting the house sale -- not to mention the loan commitment -- in jeopardy.

To make the process a little easier, I have listed some common documents needed to obtain a mortgage. Having these on hand can speed up your approval.

1. **Bank statements** from last three months. It is important to the lender to see how you've been moving money around. If you made any big deposits in that period from sale of stocks or personal possessions, be prepared to provide documentation.
2. **Documentation of funds.** Have account statements for the last three months from any brokerage account, DRiP plan, or whatever you intend on withdrawing money from for your down payment.
3. **Recent paycheck stub.** This will show that you haven't taken any advances on your pay, and are getting paid what you said you are.
4. **Offer letter.** If you are relocating to a new location and job, have a copy of the offer letter, plus a letter saying you've begun work at that location. Your salary needs to be included in the letter.
5. **Credit information.** How much do you owe and to whom? This information can be found on your credit report, but go ahead and tell them up front. It will save you a lot of heartbreak to know how much you can really qualify for. Be sure to check your credit report before you apply for the mortgage to make sure there are no errors.
6. **Paper trail.** Keep paperwork on any and all funds you move around, such as stocks cashed in, etc. You need to be able to prove to the lender that you didn't borrow the money under the table. I sold my 1964 Thunderbird and had to make out a receipt. Then the lender was going to check out the Blue Book value. It's not in the Blue Book, so I sent the lender a page of '64 T-Bird ads out of Hemmings Motor News to show that the price I got was fair. If the price I sold the car was out of line with its worth, the lender would suspect I borrowed the money from somebody under the guise of selling my car.
7. **Tax returns and W-2s.** Have your tax returns and W-2s from the past two years handy. I only needed to show my tax return for the last year and my W-2s for the past two years. However, they could easily ask for two years tax returns.

8. **Canceled checks** from any previous mortgage. A lender asked for canceled checks from me in only one of my moves. The rates had jumped 2% after my loan commitment, and I suspect the mortgage broker was trying to get out of it. They asked me for one year's copies of canceled checks from the mortgage. I didn't have them because everything I owned was in storage. We had to drive to Perth Amboy, New Jersey to get a printout of our mortgage from the bank that held it. It was a horrible neighborhood, and I got a flat tire on I-95. That's another story. Anyway, be ready for this (the possibility of having to provide canceled checks and getting a flat on a dangerous road).

9. **Employer's address and phone number.** They need this for employment verification.

10. **A copy of the sales agreement for the house that you sold.**

11. **A copy of the sales agreement for the house that you are buying.**

Keep on the lender, make sure the appraisal is done right, and call the processor regularly. Be polite, just ask how everything is going and if you need to submit anything else. Make sure you are reachable. The biggest mistake you can make is to assume everything will go as it's supposed to and that you don't need to worry.

Keep Track

Lender Checklist

Print out the checklist below and fill it out each time you talk to a potential mortgage lender. Then, when you've talked to a few, go over to our Foolish calculator to find out which lender has the better loan and which loan is better (in case your favorite lender gives you several options).

Your down payment: \$

Amount of loan: \$

Lending institution:

Contact person:

Telephone number:

Interest rate:

Is interest calculated annually or semiannually?

Amortization period:

Term of loan:

Fixed or ARM?

Monthly payment:

Prepayment penalties:

Fees:

Take Measures

Of Cubits and Square Footage

Was the only reason you got into college because you got a perfect score on the English half of the SAT? Do you need a calculator to figure out how much you're going to save at the 10% Off Blue Light Special? And do you have to ask the sales clerk at KMart for help with how to use your calculator?

Not to worry, math-phobes! Use our Foolish Crib Sheet as you look for your new home. And if you come across a prickly calculation that we haven't covered here, come on over to the Fool Home message board and we'll figure it out together.

Measurements

-Linear is a measurement made on a straight line. One linear yard is three feet long.

-Square is a flat two-dimensional measurement. A square yard is a square with sides of three feet each: $3' \times 3' = 9 \text{ sq. ft.}$ or 1 square yard.

-Cubic is a three-dimensional measurement of volume. A cubic yard is a cube with height, width, and depth of three feet each: $3' \times 3' \times 3' = 27 \text{ cu.ft.}$ or 1 cubic yard.

Units of Measurement

- 12 inches = 1' (foot)
- 1 mile = 5,280 feet
- 1 acre = 43,560 square feet
- 1 rod = 16.5 feet
- 1 mile = 320 rods

Conversions

- To convert square feet to square inches, multiply the number of square feet by 144. (sq. ft. \times 144 = sq. in.)
- To convert square inches to square feet, divide the number of square inches by 144. (sq. in. / 144 = sq. ft.)
- To convert square yards to square feet, multiply the number of square yards by 9. (sq.yd. \times 9 = sq. ft.)
- To convert square feet to square yards, divide the number of square feet by 9. (sq. ft. / 9 = sq.yd.)
- To convert square feet to acres, divide the number of square feet by 43,560. (sq. ft. / 43,560)

Percentages

– A percentage (%) means per hundred. ($25\% = 1/4$ or 25 parts of 100 parts)

–To convert % to decimals: Drop the % sign and move the decimal two places to the left. ($10\% = 0.10$ or $1\% = 0.01$)

–To add or subtract decimals, don't forget to line up the decimal points.

Abbreviations

a = area

b = base

d = depth

h = height

l = length

v = volume

w = width

cu. = cubic

ft. = feet

in. = inches

sq. = square

' - the symbol for feet

" - the symbol for inches

Math-Heavy Definitions

Annual: Yearly

Biannual: Twice a year (also semiannual)

Biennial: Every two years

Front foot: A standard one-foot-wide parcel of land at the frontage on the house's main street line.

Mill: Expressing a tax rate, 1/10 of one cent (0.001). Mill rate is a tax rate expressed as so many mills on each dollar of assessed value.