

# Buying a home? Get answers with new guidebook

**We are starting to look at buying our first house. In talking with our bank, I'm surprised at the fees they charge for closing. Is it best to stay with your own bank for a mortgage, or should we look elsewhere?**

You should definitely shop around. In the end, your bank might offer the best deal, but general guidance for homebuyers is to use the "Rule of Three" — that is, contact at least three lending institutions to compare rates, fees and other terms of the loan.

Some homebuyers are surprised at the variety of lenders available when shopping for a mortgage loan, and the loan-related charges associated with different lenders.

You might start by asking friends and family if they are happy with their own mortgage provider, and if they would recommend the institution to a new homebuyer like you. Don't take their advice as the last word, but it can help you narrow your search.

A new *Homebuyers Guide* from Ohio State University Extension can help you wade through the process. The 65-page publication (Bulletin 946) is available from county offices of OSU Extension and online from OSU Extension's eStore at <http://estore.osu-extension.org> for \$9.75 plus shipping, or for \$5 to download as a PDF.

The bulletin walks would-be homebuyers through the very beginning of the process, including examining whether you're financially and personally ready for homeownership, all



the way through considerations for managing and maintaining your purchase. An entire chapter is devoted to "Selecting a Mortgage." Included are guidelines on:

- Qualifications needed to get a mortgage, including your ability to make payments and your credit history.
- Types of mortgages, including descriptions of all types of mortgages, including fixed-rate, adjustable-rate, interest-only and subprime loans; loans with balloon payments; and loans through the Federal Housing Administration and the Veterans Administration.

- The loan process, including the documentation you need to gather to apply for the loan and red flags that indicate you may be working with a predatory lender.

A glossary of common terms used in the mortgage loan process is included, as well as a handy, detailed chart that makes it easy for you to compare rate and fee information gathered from three different lenders. The number of questions to ask lenders as you shop for a mortgage can be daunting, but following the chart as you gather information will make it a logical, step-by-step process.

The *Homebuyers Guide* offers a wealth of other information, too. It complies with the National Industry Standards for Homeownership Education and Counseling, but it's written by Extension educators, so it's easy to read and put into use.

*Family Fundamentals* is a monthly column on family issues. It is a service of Ohio State University Extension and the Ohio Agricultural Research and Development Center. Send questions to *Family Fundamentals*, c/o Martha Filipic, 2021 Coffey Road, Columbus, OH 43210-1044, or [filipic.3@osu.edu](mailto:filipic.3@osu.edu).



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**Dear Subscriber:** This column was reviewed by Nancy Stehulak, family and consumer sciences educator for Ohio State University Extension.

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