



New Hampshire Housing  
*Bringing You Home*

# Becoming a Homeowner

## Homeownership Plan Workbook







# BECOMING A HOMEOWNER

## HOMEOWNERSHIP PLAN WORKBOOK

Buying a home is often the largest purchase you will make, and it may be months and sometimes years before it is a reality. Taking the time to be confident that owning a home is the right decision for you and your family is time well spent. Use this Homeownership Plan Workbook as an informative family exercise to help you understand where you are, what you want in a home, and the steps it takes to get there. When shopping for a home, it is important that everyone has the same goals. Another critical component is to know what you can comfortably afford to pay for your new home. Completing this workbook will prepare you to work with a homeownership counselor, real estate agent and lender.

Use this workbook as a companion to New Hampshire Housing's online course, *Becoming a Homeowner* ([www.education.GoNewHampshireHousing.com](http://www.education.GoNewHampshireHousing.com)) to collect the information you need as you go through the home buying process. Completing a homeownership plan, in addition to a homebuyer education course, is required for some downpayment and mortgage assistance programs. For the most part, answers to questions in this workbook can be found in the *Becoming a Homeowner* course, although there is some information included in one and not the other. In those instances, specific web links to more information are provided. **Use the checklist at the back of this workbook to gather what you will need during the home buying process.**

The sections in this workbook correspond to the sections in the *Becoming a Homeowner* course:

**Section 1 – Preparing for Homeownership** covers the financial information, skills and planning needed to purchase a home.

**Section 2 – Financing Your Home** covers financing your new home, including finding the right lender and comparing mortgage and insurance products.

**Section 3 – Purchasing Your Home** covers deciding what you want and need in a home, finding the right real estate agent, finding the right home, and the purchase and closing process.

### I. Preparing for Homeownership

A. **Financial Skills** – The following are basic financial skills.

1. Do you use a budget? Yes \_\_\_ No \_\_\_ Sometimes \_\_\_
2. Do you pay your bills on time? Yes \_\_\_ No \_\_\_ Sometimes \_\_\_
3. Are you able to pay your monthly costs (groceries, gasoline, light bill, etc.) without relying on credit cards? Yes \_\_\_ No \_\_\_ Sometimes \_\_\_
4. Do you have a checking account? Yes \_\_\_ No \_\_\_
5. Do you have a savings account? Yes \_\_\_ No \_\_\_

If you answered no or sometimes to any of the above questions, you need to do additional financial planning before you will be able to purchase a home. For a step-by-step guide to household budgeting and credit management visit [www.findfinancialfreedom.org](http://www.findfinancialfreedom.org).

B. **CAPITAL = Savings, Grants and Gifts** – Identify the capital you have, or will have, available to purchase a home.

1. Amount of money set aside for unexpected expenses \$ \_\_\_\_\_
2. Amount you are saving each month toward homeownership \$ \_\_\_\_\_
3. Number of months you need to save to reach your goal \_\_\_\_\_ months

4. Total cash savings and gifts you will have when you purchase your home \$\_\_\_\_\_

**C. CAPACITY = Income, Job Stability and Employment History**

1. What is the **monthly gross income** for your household from earnings? \$\_\_\_\_\_   
*(Include all pre-tax income from full or part-time jobs, self-employment, and tips.)*

2. What is your household's **monthly net income** (take home pay)? \$\_\_\_\_\_

3. What is the combined monthly amount of all other household income? \$\_\_\_\_\_   
*(Include child support, alimony, Social Security, SSI, SSDI, long or short-term disability payments, VA compensation, pensions or other retirement income, etc.)*

4. Add the amounts from #1 and #3 to get your **total monthly gross income**: \$\_\_\_\_\_

5. Add the amounts from #2 and #3 to get your **total monthly net income**: \$\_\_\_\_\_

6. List the places you have worked in the past three years, how long you have worked there and your ending salary. Do the same for additional signers on the mortgage. Use additional paper as needed.

Company Name	Supervisor's Name/Phone Number	Dates of Employment	Ending Salary

**D. Expenses Affect Your Financial Capacity**

1. What do your fixed monthly household expenses total? \$\_\_\_\_\_   
*(Include any payments you make every month, such as car/vehicle, personal and student loans, cell phone, cable, regular medications, the minimum payment due for credit cards, and any payment plans for child care, insurance, utilities on a payment plan, regular savings, etc.)*

2. What do your variable monthly household expenses total? \$\_\_\_\_\_   
*(Include any expenses that change from month to month, such as groceries, gasoline, clothing, utilities and insurance not on a payment plan, car registration, gifts, personal care products and services, entertainment, medical co-payments, etc.)*

3. Add the amounts of #1 and #2 to get **total monthly household expenses**. \$\_\_\_\_\_

**E. Balancing Your Budget**

1. Subtract the amount of #D3, total monthly household expenses, from the amount of #C5, total monthly net income. \$\_\_\_\_\_

If the amount is \$0 you have a balanced budget. If the amount is more than \$0, you can afford to pay off some of your debt, to save more, or to apply that amount to the additional expenses of owning a home.

**Important:** If the amount is less than \$0, or if you need assistance in building your budget, you may want to visit [www.findfinancialfreedom.org](http://www.findfinancialfreedom.org) and review your budget with your financial counselor or homeownership counselor. Write below what changes you will make to decrease your expenses and/or increase your household income to balance your budget and when you will make these changes:

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**F. CHARACTER = Credit Score, Bank Account and Landlord References**

1. What is your credit score and your co-applicants (if not FICO then identify source)? \_\_\_\_\_  
*(You will get a credit score during the lending process, or go to [www.fico.com](http://www.fico.com) to get one now for a small fee)*
2. List the banks, credit unions or other financial institutions that you have a checking and/or savings account with (please use additional paper if necessary):

Name	Address	Phone Number	Balance
			\$
			\$
			\$

**G. COLLATERAL = Appraised Value of the Home**

Lenders want to know that the house is worth more than the purchase amount. This is not the same as the assessed value for property tax purposes. The appraisal is not a substitute for your home inspection.

**H. How Much House Can You Afford?**

If you have high debt payments or the interest rate rises, the purchase price you can afford for a home will be less. Remember to keep your lifestyle in mind when deciding how much of your income to spend on housing costs.

Front End Ratio – The housing ratio, also known as the front end ratio, is used to determine the maximum dollar amount that the lender will allow for the mortgage payment. Your front end ratio typically will need to be below 33% of your gross monthly income.

1. Calculate 33% of your gross monthly household income: \$ \_\_\_\_\_

Back End Ratio – The back end ratio is used to determine the maximum dollar amount that the lender will allow for the mortgage payment and all other monthly debt payments combined. Different types of loans have different ratio requirements. Your back end ratio typically will need to be below 41% of your gross monthly household income.

2. Calculate 41% of your gross monthly household income: \$ \_\_\_\_\_

Depending on your current monthly debt payments, some debts may need to be paid down or paid off entirely before you can qualify for a mortgage.

The maximum mortgage payment a lender will allow will be up to the amount you can afford based on your front end ratio, but only up to the amount that will keep your total monthly debt payments at or below the allowable back end ratio.

Principle, Interest, Taxes & Insurance (PITI) – Now go to [www.GoNewHampshireHousing.com/calculators](http://www.GoNewHampshireHousing.com/calculators) and use the mortgage calculator to get a more specific amount you can afford for a house. Fill out as much information as you can on the online calculator then fill out the following:

3. Write in your estimated total monthly payment: \$ \_\_\_\_\_
4. Write in the estimated purchase price of your home: \$ \_\_\_\_\_

*\*If you have a Housing Choice Voucher, when using the mortgage calculator multiply the amount on your Estimated Subsidy Letter by 12 and then add it to your income for a better estimated purchase price, mortgage payment, and/or housing to debt ratio.*

**I. Additional Costs of Homeownership** – Estimate the following costs:

1. Ongoing costs, including increased travel costs, utilities, maintenance, etc.: \$ \_\_\_\_\_ /mo.
2. Monthly savings that will be needed to cover anticipated repairs based on age and condition of home: \$ \_\_\_\_\_ /mo.
3. One-time moving costs, including movers/moving truck, utility deposits, major appliances, changing locks, and home decoration (painting, curtains, furnishings): \$ \_\_\_\_\_ /mo.
4. Do you have available cash in your current Savings & Spending Plan or budget for these added expenses along with the mortgage payment?  
Yes \_\_\_ No \_\_\_ If no, how will you adjust your budget? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**J. Planning for Downpayment, Closing Costs and Escrows** – These costs need to be paid when you purchase a home. They can vary depending on the mortgage product. The seller may pay some or all of the downpayment and closing costs.

1. Estimate your costs based on the home you can afford:  
Downpayment 0% to 5% of the loan: \$ \_\_\_\_\_ to \$ \_\_\_\_\_  
Closing costs 0% to 3% of the loan: \$ \_\_\_\_\_ to \$ \_\_\_\_\_  
Escrows 0% to 1%: \$ \_\_\_\_\_ to \$ \_\_\_\_\_  
Total amount needed at closing (will vary with mortgage product): \$ \_\_\_\_\_ to \$ \_\_\_\_\_
2. Fill in the following amounts available to cover these costs:  
Amount of personal savings: \$ \_\_\_\_\_  
Amount in homeownership Individual Development Account(s): \$ \_\_\_\_\_  
Commitment of cash gifts from family or friends: \$ \_\_\_\_\_  
Anticipated downpayment and/or closing cost assistance (ex: 3% cash assistance mortgage equals \$3,000 on a \$100,000 loan):  
Source: \_\_\_\_\_ \$ \_\_\_\_\_  
Source: \_\_\_\_\_ \$ \_\_\_\_\_  
Total cash available for home purchase: \$ \_\_\_\_\_

**NOTE:** If the total cash available is more than the total amount needed at closing, you are financially ready to purchase a home. If the total cash available is less than the amount needed at closing, you need more cash before buying a home. You have three options: you can save more; look for a mortgage product that requires less money down; and/or negotiate with the seller to pay some or all of these costs. We will cover the second and third options later.

3. How much more cash will you need? \$ \_\_\_\_\_
4. How much more can you save each month? \$ \_\_\_\_\_

5. How long will it take to reach your savings goal? \_\_\_\_\_ months
6. Do you believe you can afford homeownership at this time? Why or why not? \_\_\_\_\_
- 

## II. Financing Your Home

**A. Finding the Right Lender** – The following information will help you find the best mortgage product for your situation and is required for many mortgage applications.

- List the name of each person who will be on the mortgage: \_\_\_\_\_
- List the name of each person who will be on the deed: \_\_\_\_\_
- Is your name on a deed to any real estate now, or has it been in past three years? *If no, you may qualify for a first-time homebuyer mortgage program.*  
 Yes List property address and dates of ownership: \_\_\_\_\_  
 No
- Has anyone who will be on the mortgage with you been on a deed in the past three years? *If no, you may qualify for a first-time homebuyer mortgage program.*  
 Yes List property address and dates of ownership: \_\_\_\_\_  
 No
- When would you like to purchase your home? \_\_\_\_\_
- List three banks, credit unions or other financial institutions where you are considering getting a mortgage.

#	Lender Name	Address	Contact Person	Phone Number
1				
2				
3				





7. Use the following table to compare mortgage products, including interest rates, downpayment requirements and downpayment cash assistance.

<b>Financing Questions</b>	<b>Lender 1:</b>	<b>Lender 2:</b>	<b>Lender 3:</b>
Any special first-time buyer financing?			
What is the interest rate you qualify for?			
What is the total payment (PITI) you qualify for?			
Cost of Private Mortgage Insurance (PMI)?			
Mortgage term in years?			
Type of mortgage: fixed, variable, balloon, 80/20?			
Amount you need to pay for points upfront versus if they are rolled into the mortgage?			
Amount of other fees and charges you need to pay?			
Works with Housing Choice Voucher Program?			
Cash assistance for downpayment and closing costs?			
Assistance with funds for renovations of “fixer upper” homes at purchase?			
What, if any, prepayment penalties apply, including timeframe?			
What happens if you’re late on a payment?			
Do they plan to sell your mortgage after it closes?			
Will you get a complete copy of all of your mortgage documents to review before closing?			
What if you have trouble keeping up with your mortgage payments? Who do you call and will they work with you to correct the problem?			

Predatory lending practices: In your financing search beware of predatory lenders. Predatory lending practices may include deceptive, misleading, unethical or abusive tactics that create unfair terms for you. If you feel that you may be a victim of a predatory lender in New Hampshire contact the State of New Hampshire Banking Department at 800-437-5991 or [www.nh.gov/banking](http://www.nh.gov/banking).

8. List three of the warning signs of predatory lending: \_\_\_\_\_  
 \_\_\_\_\_

**B. Comparing Mortgage Products** – There are several types of mortgage products available, so asking questions will help in deciding which one is the best fit.

1. Rate the importance of each item in deciding on a mortgage product. To make an informed decision, ask your lender questions about the mortgage products they recommend.

Mortgage Characteristic	Level of Importance ← Low to High →				
	1	2	3	4	5
Lower interest rates for first-time homebuyers					
Downpayment assistance for first-time homebuyers					
Low downpayment requirements					
No points paid at closing					
Flexible credit standards					
Higher front end and/or back end ratios					
Fixed principle and interest payment for life of mortgage					
Lower payments in early years of mortgage and higher payments later					

**C. Understanding Homeowners Insurance** – In general, homeowners policies cover partial or total damages caused by fire, hurricane, hail, lightning or any other hazard listed in your policy. Homeowners insurance policies cover bodily injury to you or someone else; the cost of building(s); personal property if it is stolen or destroyed by an insured hazard; and for the cost of defending you in court and any court awards for lawsuits for bodily injury or property damage caused by you, your family, and/or your pets for covered hazards up to the limit of your policy. Insurance fees vary widely, so contact several companies or insurance agents to find the best price for the coverage you need.

1. The following can impact the cost of insurance and your ability to find or keep insurance. Check all that may apply to your new home.

- Location of fire hydrants       Neighborhood       Trampoline and/or pool  
 Unregistered vehicles       Low credit score       Carbon monoxide (CO<sub>2</sub>) detectors  
 Guns       Fireplaces       Certain types of property repairs  
 Certain types of dogs (list breeds) \_\_\_\_\_

2. The following discounts may be available on homeowners insurance policies. Check all that may apply to your home or household.

- Non-smoking       Bundled (home/car)       Smoke detectors  
 Fire extinguishers       Fire alarms       Home security system  
 Over 55

3. The deductible is how much you have to pay for any claim before your homeowners insurance will pay for covered services. The higher the deductible, the lower your monthly premium. Based on your Savings and Spending Plan, how high of a deductible can you afford? Be sure the lender will accept a high deductible.

- \$250       \$500       \$750       \$1,000       \$2,500

4. Ask friends, family, and coworkers who are in a similar economic and home situation as you for an insurance agent they recommend. Conduct interviews with any agent you are considering giving your business to.

5. List three insurance agents or companies that you will contact for homeowners property and liability insurance.

#	Company Name	Address	Contact Person	Phone Number
1				
2				
3				

6. Use the following table to compare insurance agents and products, including flood, earthquake and/or other additional hazard insurance, if indicated.

Insurer Questions	Insurer 1:	Insurer 2:	Insurer 3:
Are you licensed with the NH Department of Insurance?			
What does the hazard insurance cover?			
What does the hazard insurance exclude?			
Will I need a separate flood, earthquake and/or other additional insurance policy for this home?			
What factors affect homeowners insurance rates?			
How much would it cost to rebuild my home in its current location in the event of a total loss?			
How much is the personal property in my home worth in the event of a total loss?			
Is the personal property coverage based on replacement value or cash value?			
What documentation of personal property is required when filing a claim?			
Is the cost of hiring a private appraiser to estimate damages included?			
What amount of property hazard coverage do I need?			
What additional living expense coverage is included?			
What does the liability insurance cover?			
What does the liability coverage exclude?			
What amount of liability coverage do I need?			
What discounts do I qualify for?			
What is the monthly cost of the homeowners policy?			
What is the difference in monthly costs with various deductible amounts?			
What other out-of-pocket costs are you aware of that often come up when making claims?			

7. Most insurance companies provide personal property coverage equal to about 50 to 70 percent of the amount of insurance you have on the structure of your dwelling. For example, if you have \$100,000 hazard coverage for your home, most insurers would recommend \$50,000 to \$70,000 for personal property coverage. The best way to determine if this recommendation is right for you is to conduct a home inventory. Fill in the following table to estimate the difference between cash value and replacement cost of your household items.

<b>Household Items</b> (Only include the value of items in good or excellent condition)	<b>Cash Value</b> (\$ if sold today)	<b>Replacement Value</b> (\$ if purchased today)
Living room/family room furniture	\$	\$
Bedroom furniture	\$	\$
Kitchen furniture and major appliances	\$	\$
Other kitchen items – small appliances, pots and pans, dishes, cutlery, silverware	\$	\$
Tools – vacuum, lawn mower, carpentry, automotive, etc.	\$	\$
Electronics – televisions, computers/laptops/tablets, game systems, etc.	\$	\$
Jewelry	\$	\$
Clothing, including coats, boots and shoes	\$	\$
Antiques and collectibles	\$	\$
Guns	\$	\$
Other valuables (list):	\$	\$
Total	\$	\$



### III. Purchasing Your Home

Now that you know how much home you can comfortably afford, it's time to focus on purchasing a home for you and your family.

A. **Finding the Right Home** – The location of your new home is one of the most important decisions you will make. Now is the time to find a good fit for your family's long-term needs.

- List the areas where you are considering living: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. Check the table whether the following are needs or wants for your family to see how these locations will meet your needs over time.

Want			Need			Item	Want			Need			Item
Now	5 yrs	10 yrs	Now	5 yrs	10 yrs		Now	5 yrs	10 yrs	Now	5 yrs	10 yrs	
						Town water/sewer							Family neighborhood
						Close to work							Low crime rates
						Close to family							Close to healthcare
						Public transportation							Close to stores
						Good schools							Close to entertainment
						Walk to schools							City
						Close to childcare							Suburban neighborhood
						Close to outdoor recreation							Small town/rural
						Other:							Other:

**B. Home Requirements**

1. How many people are in your current household? \_\_\_\_\_

2. How many people will be living in your new home? \_\_\_\_\_

3. Bedrooms:      Number Needed: \_\_\_\_\_      Number Wanted: \_\_\_\_\_

4. Bathrooms:      Number Needed: \_\_\_\_\_      Number Wanted: \_\_\_\_\_

5. What type of home are you considering (check all that apply)?

Type:    \_\_\_ Single family      \_\_\_ Duplex      \_\_\_ Triplex      \_\_\_ Condo

          \_\_\_ Manufactured/mobile home on own land    \_\_\_ Manufactured/mobile home in co-op

Construction:    \_\_\_ Stick Construction      \_\_\_ Modular Construction

Age:    \_\_\_ Under 5 yrs.      \_\_\_ Under 20 yrs.      \_\_\_ Under 50 yrs.      \_\_\_ Historic



6. Check what you want and what you need to have in your new home:

Want	Need	Item	Want	Need	Item	Want	Need	Item
		Handicap accessible			Unfinished basement			Oil heat/hot water
		One-story living space			Finished basement			Gas heat/hot water
		Two-story living space			Walkout basement			Electric heat/hot water
		Bathroom on first floor			Fireplace			Wood or pellet heat
		Gourmet kitchen			Deck/patio			Energy efficient appliances
		Living room			Porch/balcony			Curbside trash pickup
		Formal dining room			Extra storage			Snow removal
		Family/multi-purpose room			Attached garage			Lawn care
		Entryway/mud room			One-car garage			Space for garden
		Washer/dryer hookups			Two-car garage			Wooded lot
		Laundry on first floor			Energy efficient windows			1+ acres
		Laundry on second floor			Painted siding			Waterfront
		Wall-to-wall carpet			Vinyl siding			Privacy
		Tile flooring			Fenced yard			Move in ready
		Wood flooring			Swimming pool			Fixer upper
		Other:			Other:			Other:
		Other:			Other:			Other:

7. What features would you be willing to give up to find a home in your price range? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**C. Finding a Real Estate Agent**



1. What qualities are you looking for in a real estate agent? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
2. What steps will you take to find the right real estate agent? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. List three real estate agents you are considering using.

#	Real Estate Company	Address	Real Estate Agent's Name	Phone Number
1				
2				
3				

4. Use the following table to compare real estate agents:

Real Estate Agent Questions	Real Estate Agent 1:	Real Estate Agent 2:	Real Estate Agent 3:
Are you a Buyer's agent, Seller's agent, or dual agent?			
How long have you been a real estate agent?			
What towns/neighborhoods have you sold homes in recently?			
Number of homes you sold in the last 12 months?			
Number of buyers you helped to purchase a home in the last 12 months?			
How will you decide which homes to show me?			
Can I look through the MLS listings to select homes to view?			
What affects the percent of the commission that I pay, if any?			
When are you available to show me homes?			

5. What are the benefits of working with a Buyer's Agent over working with a Seller's Agent? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**D. Evaluating the Home**

1. Questions to ask about the home you want to purchase.

Questions to Ask Before You Buy	Where to Find the Answers
What have other homes in this neighborhood of the same size and with similar features sold for (not what they were listed for) and how long were they on the market before they sold?	<ul style="list-style-type: none"> <li>- Your real estate agent</li> <li>- Registry of deeds for the county</li> <li>- <a href="http://www.zillow.com">www.zillow.com</a></li> </ul>
What is the property tax rate and what are the property taxes for the home?	<ul style="list-style-type: none"> <li>- The property listing</li> <li>- City/town tax assessor's office</li> <li>- The seller</li> </ul>
What are the known environmental risk factors, such as flooding, soil contamination, ground water contamination, radon, formaldehyde, etc.?	<ul style="list-style-type: none"> <li>- Local, county, or state building or environmental departments</li> <li>- The RCRA Superfund Hotline (800-424-9346)</li> <li>- The Safe Drinking Water Hotline (800-426-4791)</li> </ul>
What previous claims have been filed against the homeowners insurance?	<ul style="list-style-type: none"> <li>- Ask seller to provide a CLUE report (<a href="http://www.insurance.wa.gov/consumers/tips/clue.shtml">http://www.insurance.wa.gov/consumers/tips/clue.shtml</a>)</li> </ul>
Is it a safe neighborhood? What is the level of crime?	<ul style="list-style-type: none"> <li>- Local police department</li> <li>- Neighborhood watch group and neighbors</li> </ul>

**E. Entering Into a Purchase and Sales Agreement (P&S)**

1. What is the maximum amount you can afford to offer on a home (look back at your Savings and Spending Plan)? \$\_\_\_\_\_
2. Based on your Savings and Spending Plan or budget, how much deposit (earnest money) can you put down to hold the home for you? \$\_\_\_\_\_
3. How much time will you need to close, including giving notice to your landlord and getting final bank approval?  
\_\_\_\_\_
4. What property do you want to ask the owner to leave with the home or be certain to remove?

Leave	Take	Item	Leave	Take	Item	Leave	Take	Item
		Refrigerator			Hanging lamps			Dehumidifier
		Stove			Draperies/window treatments			Sump pump
		Above-stove microwave			Drapery hangers/curtain rods			Firewood/Fuel in tanks
		Dishwasher			Vertical or horizontal blinds			Swing set
		Clothes dryer			Removable screens			Above ground pool
		Washing machine			Air conditioners			Storage shed without foundation
		Mirrors			Carpet that is not wall-to-wall			Other:

5. What contingencies do you want to put on the Purchase & Sales Agreement?

Yes	No	Contingency
		Approval of financing for the home
		Appraisal of home showing it is worth at least the amount you are paying
		A satisfactory general home inspection report indicating no major problems
		Satisfactory radon test
		Satisfactory lead paint test if children 6 or younger will be living in home
		Satisfactory well and water tests if not on town water
		Satisfactory septic and leach field inspection if not on town sewer
		Specific repairs or improvements to be completed prior to closing
		Time to sell another home
		Passing an HQS inspection (if using a Housing Choice Voucher)
		Other:

**F. Home Inspection**

1. List three inspectors you are considering using.

#	Company Name	Address	Inspector	Phone Number
1				
2				
3				

2. Use the following table to compare inspectors:

Inspector Questions	Inspector 1:	Inspector 2:	Inspector 3:
Is this the inspector's primary, full-time job?			
What professional association(s) do they belong to?			
Can they schedule the inspection when you can be there?			
Where do they get most of their referrals?			
Do they carry errors and omissions insurance?			
Do they provide a detailed written report or just a checklist report?			
Is an inspection for wood-destroying insects included?			
Do they evaluate the interior of the fireplace and chimney?			
Will they inspect the roof from the ground or ladder?			
What is their fee?			
<b>Ask references:</b>			
Was the inspector prompt in sending the report?			
Was the report comprehensive and clear?			
Was the inspector helpful in answering questions?			
Would they use the same inspector again?			

3. In addition to a general building inspection, what other tests or inspections would you like to have done?

Yes	No	Inspections/Tests
		Asbestos (only older houses with reasons to suspect asbestos)
		Lead paint (only for houses built prior to 1978 – a must if children under 6 will live there)
		Toxic mold
		Pests other than wood-destroying insects (cockroaches, fleas, bed bugs, ants, mice, rats)
		Radon gas
		Septic system inspection by expert
		Safe drinking water (wells only)
		Water flow test (wells only)
		Methamphetamine (residue from meth labs or smoking meth)
		Other:
		Other:

## G. Closing Process

- There are many steps and important legal documents to be prepared for the closing. Your lender will request a home appraisal and have a closing, or title agent who:
  - Starts the title search on the property
  - Prepares a commitment of title for the lender
  - Schedules a closing date
  - Prepares the HUD-1 Settlement Statement
  - Gives you the total dollar amount needed for the closing
  - Conducts the closing
- What do you need to do before the closing?

<b>To Do List – One Month Before Closing</b>	<b>To Do Date</b>
Arrange to have the utilities changed to your name as of the closing date	
Make moving arrangements	
Other:	
<b>To Do List – One or Two Days Before Closing</b>	
Take a final walk-through inspection	
Get a cashier's check made out to the closing agent for the amount needed at closing	

- What happens at closing?
  - Title (ownership) of the property passes from seller to buyer
  - The seller receives the money from the lender and/or buyer, and the buyer receives a deed to the property
  - The title agent then files the deed and mortgage at the county registry of deeds (NH specific)

## H. Home Maintenance

- Routine home maintenance I can do myself includes:

Yes	No	<b>Indoor Maintenance</b>	Yes	No	<b>Outdoor Maintenance</b>
		Patching walls			Cutting the grass
		Painting walls and trim			Trimming bushes/trees
		Fixing leaking faucets			Raking leaves
		Fixing leaking toilets			Cleaning gutters
		Changing furnace filters			Draining outdoor faucets/hoses
		Cleaning windows			Painting trim
		Changing light bulbs in ceiling fixtures			Clearing snow from walkways, driveways and roof
		Steam cleaning carpets			Washing siding and deck
		Other:			Other:
		Other:			Other:

2. Items I will have in my homeownership tool box are:

Yes	No	Basic Tools/Equipment	Yes	No	Basic Tools/Equipment
		Painting supplies:			Plumbing:
		Paint brushes			Plumber's wrench
		Drop cloths			Plumber's tape
		Painter's tape			Yard care:
		Carpentry tools:			Lawnmower
		Hammer and nails			Pruning shears
		Screwdrivers and screws			Leaf rake
		Wall putty and putty knife			Snow care:
		Electric drill			Snow shovel and/or blower
		Step ladder			Roof rake for snow
		Other:			Other:
		Other:			Other:

3. What systems or parts of the home need to be replaced over time?

System or Part	Replacement Schedule	Replacement Cost
Example: Roof	Every 25-30 years	\$6,000



4. Give an example of what you will do if there is a home maintenance emergency you cannot handle: \_\_\_\_\_

\_\_\_\_\_

5. What free resources may be available to learn how to do small "Do It Yourself" projects?

\_\_\_\_\_

\_\_\_\_\_

6. What household items will you change in order to have a more energy efficient home?

\_\_\_\_\_

\_\_\_\_\_

7. What steps will you and your household members take to have a more energy efficient home? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**I. Home Purchase Plan Wrap-up**

1. The best thing about owning my own home will be: \_\_\_\_\_
2. The worst thing about owning my own home will be: \_\_\_\_\_
3. Developing this plan has taught me: \_\_\_\_\_  
\_\_\_\_\_
4. Additional information I want about the homeownership and homebuying process: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Congratulations!**

You have reached the end of the *Becoming a Homeowner* Homeownership Plan Workbook. Hopefully you have found the information you need to decide if homeownership is the right decision for you and your family as well as the information you need to successfully purchase a home. Buying a home is usually the largest purchase you will ever make and you don't need to do it alone. In addition to the *Becoming a Homeowner* online course and this workbook, there are homeownership counselors throughout New Hampshire who can answer your questions and work with you one-on-one. You can find a list of HUD approved homeownership counselors at [www.GoNewHampshireHousing.com/need-more-help/counseling-agencies](http://www.GoNewHampshireHousing.com/need-more-help/counseling-agencies).

We'd like your feedback. Please take a short survey about the usefulness of this workbook at [www.surveymonkey.com/s/HomeownershipPlanWorkbook](http://www.surveymonkey.com/s/HomeownershipPlanWorkbook) or complete, remove and mail the survey on the last page of this workbook to the address listed at the bottom of the survey.

Thanks and good luck!

The Homeownership Team at  
New Hampshire Housing



## My Mortgage Contacts

### Property Address

Seller(s): \_\_\_\_\_ Email: \_\_\_\_\_

Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Book: \_\_\_\_\_ Page: \_\_\_\_\_

### Loan Officer

Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

### Real Estate Agent

Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

### Home Inspector

Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

### Appraiser

Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

### Title Company/Attorney

Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

### Insurance Company

Contact: \_\_\_\_\_ Email: \_\_\_\_\_

Office Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Address: \_\_\_\_\_

## Feedback Survey (Optional)

Please take a minute to answer the following questions here or at <http://www.surveymonkey.com/s/HomeownershipPlanWorkbook>. The information you provide will help us make this a better educational tool for others wanting to purchase a home.

1. In general how useful did you find the following? (1 being not at all useful and 5 being very useful)

Rate Usefulness	← Low to High →					Did not use
	1	2	3	4	5	
<i>Becoming a Homeowner</i> Homeownership Plan Workbook - alone						
<i>Becoming a Homeowner</i> online education - alone						
<i>Becoming a Homeowner</i> online education and workbook together						
Section 1 – Preparing for Homeownership						
Section 2 – Financing Your Home						
Section 3 – Purchasing Your Home						
Web links to additional information						

2. How likely will you be to:

Likeliness	← Low to High →					Do not know
	1	2	3	4	5	
Purchase a home within 6 to 12 months?						
Purchase a home within 2 to 5 years?						
Never purchase a home?						
Use the <i>Becoming a Homeowner</i> Homeownership Plan Workbook when you purchase a home?						
Refer friends and family to <i>Becoming a Homeowner</i> online education?						
Suggest friends and family use the <i>Becoming a Homeowner</i> workbook?						

3. Please type or print any other comments you have to make the *Becoming a Homeowner* Homeownership Plan Workbook or online education more helpful to people who want to purchase a home. Include your name and phone number if you want a response.



# HOMEBUYER CHECKLIST

The following information will need to be available during the homebuying process.

- Original signed Purchase and Sales Agreement and all addendums
- Property listing sheet
- Copy of deposit check
- Real estate agent's address and phone number
- A legal description of the property (deed)
- Current tax bill for the property
- Current pay stubs (two weeks' worth)
- Copy of past two years' W-2's
- Copy of two years of full tax returns and schedules
- If commissioned sales person, supply two years of tax returns
- If self-employed, provide two years of tax returns and YTD profit and loss
- Copy of two months of bank statements on checking and savings accounts documenting large deposits
- Name(s) and address(es) of landlord(s) for a two-year period or 12 months of cancelled rent checks
- Copy of 401K, profit sharing, pension or any other retirement statements
- Copy of drivers license, passport, green card or INS form
- Divorce decree, child support orders and stipulations
- If child support or alimony is applicable, three to six months of cancelled checks and child support orders
- If a veteran, original certificate of eligibility
- Leases or rental agreements on rental property (if applicable)
- If selling another property, copies of tax/insurance bill and mortgage information
- If selling current home, copy of Purchase and Sales Agreement
- If closing funds are from the sale of a property already closed, HUD-1 Settlement Statement is needed



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