

What You Need to Know When Buying Your Next Home.

The thought of buying a home can be an exciting, yet daunting idea. Maybe you're beginning the process as a first-time homebuyer, or maybe you're looking to upgrade or invest. Whatever reason you have for entering the real estate market, the following tips can help you feel better prepared along your journey to home ownership:

1. Know Your **Credit Score**.

Credit scores are based on information contained in your credit files. That means if you pay your bills and debts on time, both principal and interest, then you are considered a good credit risk. Lenders use credit scores to determine who qualifies for a loan, at what interest rate and with what credit limits should be. Generally, a score above 620 will help you qualify for a mortgage loan at a reasonable Annual Percentage Rate (APR). The higher your credit rating, the lower your rate may be, saving you money in the long run. Read more about credit score basics at <https://www.stbank.com/learn/credit-score-basics/>.

2. A **Down Payment** is Required.

One important consideration when choosing a home is the amount of cash you have available for a down payment and closing costs. A down payment is the percentage of the total cost of the home that you must contribute from your own funds buy the home you desire. Traditional down payments are usually calculated at about 20% of the purchasing price, but there are various programs available and some feature a down payment for as little as 3%. Discuss your personal circumstances with an S&T mortgage banker today by visiting <https://www.stbank.com/about/our-team/#mortgagebankers>

3. You Can be Ready With a **Pre-Approval** Before You Make an Offer.

Traditionally, home sellers take buyers more seriously who come to the table with a pre-approval from a reputable lender. In order to obtain a pre-approval, you'll need to gather all of the required financial information requested by the potential lender. Your creditworthiness will then be assessed by using your credit score, income and debt-to-income ratio. This will help you better understand how much home you can truly afford and raise your power to negotiate when making an offer on a house.

4. You'll Need to **Verify Your Income and Employment**.

In general, proof of employment for at least two years will be needed to ensure that you have a stable source of income. Secondary sources of income may also be considered in this process. The information needed is pretty straightforward, usually consisting of your personal bank statements and your W-2s from an employer(s). Self-employed persons may need to provide further documentation such as business tax returns and profit/loss statements for verification. Learn more about mortgages with S&T at <https://www.stbank.com/personal/borrow/mortgage/>.

5. **Closing Costs** Must be Taken Into Consideration When Making an Offer.

Don't get caught off guard by closing costs that are incurred in the homebuying process. In most cases, buyers must pay fees for property appraisals, title searches, home inspections and legal fees. Average costs typically range from 2% to 5% of the total mortgage price. S&T has various programs available that can make closing costs more affordable for qualified buyers. Calculate what you might be able to expect here <https://www.stbank.com/learn/calculators/calculate-home-closing-costs/>.

With proper background information and knowledge, you can feel better prepared to make an offer on your desired home and save yourself the feeling of the unknown. At S&T Bank, we strive to be your trusted financial partner that can provide you with the tools and options to make important buying and borrowing decisions.

