



Financial Wellness 101: Buying a Home

BUYING A HOME

Purchasing a home is a big decision. There are many factors to consider. Most importantly, what is your budget? Is now the time to rent instead? How do you know?

Furthermore, if you do become a homeowner, what about your mortgage? Should you go full force and pay it off as soon as possible? Or are there advantages to carrying the mortgage?

The answer is not the same for everyone. Let's take a look at factors that can help you make this decision.

Buying vs. Renting

If you can answer, "Yes," to the following questions, you may be on your way to home ownership:

- Are you out of debt?
- Do you have an emergency fund with three to six months of expenses, plus enough for a 10-20 percent down payment on a 15-year fixed mortgage?
- Will your mortgage payment comprise no more than 25 percent of your monthly take-home pay?

Next consider which is more beneficial:

- Renting may be less expensive because there are no costs for maintenance, taxes, and homeowner's insurance. However, homeownership may be beneficial because your mortgage will not increase annually.

Paying off the Mortgage

Congratulations, you're a homeowner! Now what?

- Should you pay off the mortgage early?
- Should you delay saving for retirement in favor of paying off the mortgage?
- Will the employer match and investment growth sacrificed be worth it?
- Should you keep the mortgage in favor of the annual tax deduction?

These are just a few important questions to consider as you assess and strategize your financial future.

A retirement financial professional can help you make sense of the information and make these important decisions. If you have questions or seek assistance, please call our plan's financial professional at Christopher G. Ameen, Sr., CRPC® at 234-901-2837 or email at Cameen@ellsworthadvisors.com.

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