



Mortgage Matters

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Mortgage Shopping Tips for the New Year

The new year traditionally is a time of reflection and resolutions. If one of your resolutions is to buy a house this year, here are some tips that will help that resolution become a reality.

Improve your credit score

If you have any debts or credit card balances, work on eliminating them or paying them down. Even if completely eliminating your debt isn't possible, paying it down could increase your credit score – and even a small boost can mean lower interest rates on a mortgage. Also, paying these off might feel good, but don't close those accounts as that could lower your score if you eliminate the positive reporting tradeline.

Avoid big purchases

Sure, you might need new appliances and new furniture in your new house. But wait until after you've closed on your mortgage before pulling the trigger on those purchases. Spending money on big-ticket items decreases your available cash – which is key in the home-buying process. Or if you use your credit card or take out a store line of credit to pay for it, it could hurt your credit score.

Save, save, save

Save every penny you can. Having money saved for a down payment and closing costs can majorly help you in the loan process. The more money you have in savings, the better. Evaluate your spending habits – if you eat out for lunch every day, bring your lunch instead and save the difference. If you stop for coffee a few times a week, skip it and save that money, too. These small things will add up over time.

Research lenders

Finding the right mortgage professional will make the process much easier. Your lender will be your mortgage resource and will help you every step of the way to bring your resolution to fruition. It also will be important to get preapproved for your mortgage, which the lender will help with as well.

Determine what you want in a house

Just what specifics do you want in your home? Do you want to live closer to work, or in a specific school district? These are the things that are good to know ahead of time, and they will help you narrow down available houses. And then, start looking!

Making a resolution and sticking to it always is fulfilling. And if buying a house is on your resolution list this year, these steps should help make the process much easier.

Opinions expressed above are the personal opinions of Kenneth Wohl and meant for generic illustration purposes only. With approved credit. For specific questions regarding your personal lending needs, please call RCB Bank at 855-BANK-RCB. Some restrictions apply. RCB Bank is an Equal Housing Lender and member FDIC. RCB Bank NMLS #798151. Kenneth Wohl NMLS #453934.