

There are a ton of myths about what it takes to buy a home. Some of them twist the truth a bit while others are totally off the mark. Believing in any of them, however, will prevent you from purchasing the home of your dreams. Here are some of the most persistent ones:

MYTH #1: You need perfect credit to purchase a home.

REALITY: Even though you may not have perfect credit, you can still buy a home. Loans such as the FHA loan only require a score of 580 for approval. If you're a veteran, you may also gualify for a loan guaranteed by the VA with less restrictive qualification requirements.¹

MYTH #2: Debt will stop you from buying a home.

REALITY: While debt may impact the loan you qualify for, it will not stop you from getting pre-approved, searching for and buying a home. The vast majority of people carry diverse types of debt and still qualify for a home.

MYTH #3: Pre-qualification is the same as pre-approval.

REALITY: During pre-qualification, your loan originator reviews the financial information you've submitted and provides an estimate of how much you can borrow. A pre-approval is much more comprehensive. It is a conditional commitment of the maximum you can afford for a home. In many competitive markets, a pre-approval is required by sellers and having one provided by a local lender can give your offer an edge.

MYTH #4: It's best to pay your mortgage off as quickly as possible.

REALITY: With such a large debt as a mortgage, you would think it's in your best interest to pay off your mortgage as quickly as possible. Even though a mortgage is considered "debt", it is usually viewed differently. Unlike other forms of debt, your mortgage is used as leverage to buy an asset (your home) that goes up in value. It can also be sold, often times for a profit. Your mortgage most likely has a low interest rate, meaning it will accumulate interest more slowly. This means instead of paying off your mortgage, your money can be used best elsewhere, such as paying off high interest debt or investing.

MYTH #5: You need a 20% down payment to qualify for a good loan. **REALITY:** This is a persistent myth, one that was true in the bygone days of mortgage lending. Today, there are many ways to help pay for a mortgage if you have less than a 20% down payment. Loan options are available for almost every type of potential homebuyer, with some requiring only 3% down payment² or none at all.

Talk to a Homebridge Mortgage Loan Originator today to learn the truth about homebuying and how they can help you begin your search.

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1. VA guarantees a portion of the loan, enabling lenders to provide more favorable terms. 2. Restrictions may apply.

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