

**General Realty of Tennessee**  
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# Buying Advice

Buying a home is a significant and exciting decision. This section provides professional real estate advice and helpful home buying tips.

## First Steps

The Internet and real estate professionals are the top two resources most buyers turn to when searching for a home. A General Realty Of Tennessee Agent can help improve your overall home buying experience and provide the guidance to reduce stress, save time, and make you a savvy, successful consumer.

A General Realty Of Tennessee Agent is ready to make a full-time commitment to help you capitalize on current market opportunities and assist you in making an informed decision.

To ensure you make the right choice for the long term, a General Realty Of Tennessee Agent offers extensive knowledge in:

- Neighborhoods, schools and market conditions
- Mortgage specialists who can assist you with your financing
- Technology that gives them an edge, along with multiple resources available just for you

<sup>1</sup> 2010 National Association of REALTORS® Profile of Home Buyers and Sellers

**Finding the right real estate agent can make you a savvy consumer and improve your overall experience.**

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# What Can You Afford?

How much home can you afford? Review your income, savings, and debt to figure out how much home you can afford. Or, contact a professional who can help you sort it all out.

## How Much Can You Afford?

Now that you know what you're looking for, the next step is figuring out what type of home you can afford. A review of your income, savings, monthly expenses and debt will be necessary.

**Early in the process, you'll want to get pre-qualified for a mortgage loan.** It enables you to move swiftly when you find the right home, especially when there are other interested buyers. It also indicates to the seller that you are serious and can afford to buy the property. **A pre-approval is a simple calculation done by a mortgage lender that tells you the amount you'll be able to finance through a loan and what your monthly payment will be.**

The price you can afford to pay for a home will depend on several factors, such as:

- Gross income
- The funds you have available for the down payment, closing costs and cash reserves required by the lender
- Your debt
- Your credit history
- The type of mortgage you select
- Current interest rates

Another figure that lenders use to evaluate how much you can afford is the housing expense-to-income ratio. It is determined by calculating your projected monthly housing expense, which consists of the principal and interest payment, property tax payments and insurance premiums on your new home loan (also known as PITI).

**Each buyer is unique, and a mortgage professional can help you find out just what you can afford.** Your income and debts will typically play the biggest roles in determining your price range.

