

# Healthy Money Habits

Step 8

## Class Challenge

### **Affordability**

Visit a site like [realtor.com](http://realtor.com). Choose a house you like, and use a housing affordability calculator to decide if it is in your price range.

Create or respond to a post with questions or feedback on this challenge here <https://www.facebook.com/pages/Idahos-Two-Cent-Tips/158778734174237>

### Food for Thought

Would you buy the very first house your real estate agent decided to show you? Absolutely not, right? Yet, far too many people will simply finance their house through the first lender they find. Since a home loan can cost as much, if not more than the home itself, it makes sense to spend your time shopping, comparing, and getting a good deal.

### Additional Resources

Find related resources here: <http://extension.uidaho.edu/madison/?s=home&searchsubmit=>

Luke Erickson  
University of Idaho Extension  
[erickson@uidaho.edu](mailto:erickson@uidaho.edu)



## **Homeownership**

**Comparison Shop** – It makes sense to spend a lot of time shopping for the exact features you want in a home. After all you may be there for a long time. But don't forget that fees and interest on a home loan can cost just as much, if not more than the cost of your actual house! You can save big by comparison shopping for home lenders. Prequalify with at least three. And don't worry about dropping your credit score, you have a 45-day window to comparison shop lenders; it only counts as one credit check.

**Use a Calculator** – Determine an affordable price-range for your new home by using a [house affordability calculator](#).

**Avoid Creativity** - Creative housing designs and features can be terrific. But when it comes to financing, avoid any sort of creativity and stick with plain old Prime Loans. Avoid adjustable rate mortgages (ARMs), balloon loans, interest only loans and any other type of creative financing option. Creative in this case means "expensive" and "potentially unaffordable".

**Plan to Pay it off Early** – Adding one or two extra payments a year to your home loan can help you save significantly on the cost of a home. Use an [early payoff calculator](#) to determine how much you might save with extra payments.

Caldwell Research & Extension Center  
1904 E. Chicago St., Ste. AB  
Caldwell, Idaho 83605  
208-538-9936

**University of Idaho**  
Extension