

PATH TO FINANCIAL INDEPENDENCE

Know What You Can Afford

You've decided to take the leap from renter to homeowner but are unsure where to start on your homebuyer journey.

While everyone's path is unique, here are some of the most common stops that are sure to be on your path to financial independence.

1 KNOW YOUR CURRENT BANK ACCOUNT BALANCE

DID YOU KNOW?

A new program in Alabama, called the **First-Time Homebuyer Savings Account Program**, allows Alabamians to create a monetary savings account for the down payment and/or closing costs for the purchase of a single-family dwelling. What's more, the principal deposits and earnings from the account are tax deductible.



The first step on your path to financial independence is understanding your current financial situation – you should know how much money is in your bank account and how much will be required for a down payment on your ideal home.

2 UNDERSTAND HOW MUCH YOU CAN BORROW

Your debt-to-income ratio is one of the first things a lender will analyze when looking for a mortgage. Additionally, there are key credit considerations that lenders need to take into account, such as overall level of debt and length of credit history.

WHAT IS THE DEBT-TO-INCOME RATIO?

A ratio calculated by taking your total monthly debt load and dividing it by your monthly gross income.



3 UNDERSTAND HOW MUCH YOU WANT TO SPEND

Loan approval doesn't necessarily mean you need to spend as much as you can borrow. Keep in mind that while homeownership may come with its own set of expenses, homeowners can expect significant tax savings from both the mortgage interest deduction and property tax deductions available to Alabamians.

\$46,257
MEDIAN HOUSEHOLD INCOME IN ALABAMA

4 UNDERSTAND THAT FINANCIAL INDEPENDENCE IS ONLY ONE PIECE OF THE PUZZLE

Homeownership enables individuals to accumulate wealth and social status and has been shown to positively impact both physical and psychological health.

ALABAMA
MEDIAN CLOSING PRICE
according to REALTOR.com

\$210,000

hi!

WORK WITH A REALTOR®

When you work with REALTORS®, they have a fiduciary responsibility to look out for your best financial interests. REALTORS® are experts on the local market who can keep you on the right path.

By following these basic guidelines, you can create positive financial habits that will reward you and your family, putting you on a track to financial independence.



To learn more about how you can unlock the keys to homeownership, visit:

bit.ly/AL-FTHB

