

# FIRST-TIME HOMEBUYER

# Path to Financial Independence

Taking the leap from renter to homeowner but unsure where to start your journey?



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

1

## Know Your Current Bank Account Balance

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.



## Savings Account

Parents and grandparents can open a Missouri First-Time Homebuyer Savings Account for their children or grandchildren and can make contributions to the account as well.

## Debt-to-Income Ratio

A ratio calculated by taking your total monthly debt load and dividing it by your monthly gross income contributions to the account as well.



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.

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 tax savings from both the mortgage interest deduction and property tax deduction available to Missourians.



**\$51,542\***  
Median Household Income in Missouri  
United States Census Bureau\*

**\$162,917**

## Missouri Median Selling Price

Missouri REALTORS Market Statistics, 2018\*



4

## Understand that Financial Independence is Only One Piece of the Puzzle

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

5

## Work with a REALTOR®

When you work with a REALTOR®, 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.

\*Individuals or married couples filing a joint return can open a First-Time Homebuyer Savings Account at any local bank or credit union. Annual contributions can be up to \$3,200 for married couples filing a joint return and \$1,600 for all other filers. Tax deductions are capped up to \$1,600 for married couples and \$800 for all other filers.