

First Time Home Buyer

Buying your first home is exciting and intimidating at the same time, mostly because it's the biggest financial decision you've ever faced. Initially, you'll have more questions than answers, which is why it's so important to have an experienced, reliable mortgage banker looking after your interests throughout the process. At The Bank of Northern Michigan, we'll help you find the ideal mortgage based on your income, credit and savings. Our process is as fast (or as slow) as you want to go, meaning we'll take whatever time is necessary to answer your every question. Follow the simple steps below to make your dream of home ownership a reality.

Get Pre-Approved

Pre-approval is based on your income, debt load and credit history. It determines the following:

- How much house you can afford
- Amount of down payment needed
- Total closing costs
- Loan eligibility

Establish a Budget

Saving for a down payment is often the most difficult hurdle to overcome when buying your first home. Once you determine the amount you need to save, set an aggressive budget, buckle down and stick to it!

Reduce Debt

Long-term debt, including mortgage payments and other consumer credit, should not exceed 38% of monthly gross income.

Examine your Credit Report

It's a good idea to review your credit report with a mortgage lender in advance of purchasing a home, especially if there have been any credit problems in the past. Lenders will look for:

- A clean credit report
- No bill past due more than 30 days in the previous year

Investigate Affordable Lending Programs

Generally, 5-20% of the selling price of the home is the minimum down payment required. However, there are many affordable programs, based on individual financial circumstances, which allow for low or no down payment.

Visit a Realtor®

A visit to a local agent is recommended for anyone considering buying a first home. Your mortgage lender can direct you to a knowledgeable agent who knows the market and can help you navigate the ins and outs of a real estate purchase.

Why choose The Bank of Northern Michigan?

- Personalized, reliable service
- Decisions made locally by experienced bankers
- Work together from application to closing and beyond
- Straight-forward answers to keep you well informed
- Fast, streamlined and hassle-free process



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