



A down payment for your new home is more important than ever. Gone are the days of 100% financing. Saving \$20,000 is not an overnight task, but a goal you can accomplish if you are prepared. Here are some tips to help you get to your goal. These are simply tips and not meant to be treated as financial advice.

- **Determine how much you need, and when you will need it.** Establishing an exact amount for your down payment savings goal will keep you motivated and allow you to track your progress. Figure out how much your target home will cost and try to save 20% for a down payment. Then, set a deadline. You may quickly discover that your monthly savings amount.
- **Create a separate savings account for your down payment.** Whether you have \$1 or \$10,000 already saved for your down payment, it is a good idea to stash it in a separate savings account to avoid tapping into it for other expenses. Pick a different bank than your normal bank and have a portion of your paycheck direct deposit into that account. That way it is out of sight out of mind. Check with your local banks as they may have special accounts for first time homebuyers offering higher returns.
- **Create a budget.** If you don't have a budget, now is the time to start one. Make an itemized list of your monthly expenses. Total them up and subtract them from your monthly income to determine how much extra money you have at the end of the month.
- **Analyze your budget.** If you already have a budget, carefully scrutinize your spending. See if you can cut costs and curb your spending. Bring in your lunch to work. Cut coupons. Rent a movie instead of going to the theatre. Every little bit helps!

Money Saving Tips

- Post your budget in a visible place where you have to look at it every day – it will help you remember your goal.
- Tell your friends and family that you are trying to cut back spending to save for a home and ask them to not tempt you by inviting you to spend money with them. Invite them to come over instead of going out.
- Make sure to agree to a budget with your partner or spouse. If you work together it will be easier to reach the goal.
- If you are tempted to purchase something that is not a necessity, remind yourself that you are prolonging your goal of home ownership.
- Get your books from the Library. This will save space and money.
- Eliminate some cable service, reduce your internet speed, and bundle your services.
- Write a list before you go shopping and STICK to it!
- Clean out your closet and donate your unused goods for a tax deduction.
- Try generic brands.
- Get rid of unread magazine subscriptions.
- Invest in a deep freezer to store bulk foods or prepared meals to eat at a later date.

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