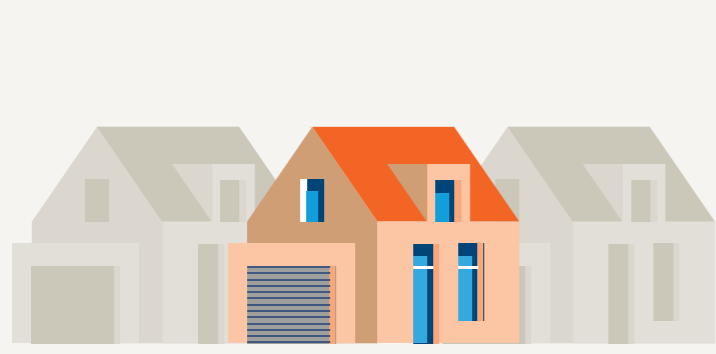




# 5 TIPS FOR HOME BUYERS

Homeownership is the American Dream. It's a significant step towards building wealth, but people across the country are struggling to purchase a home. Why?

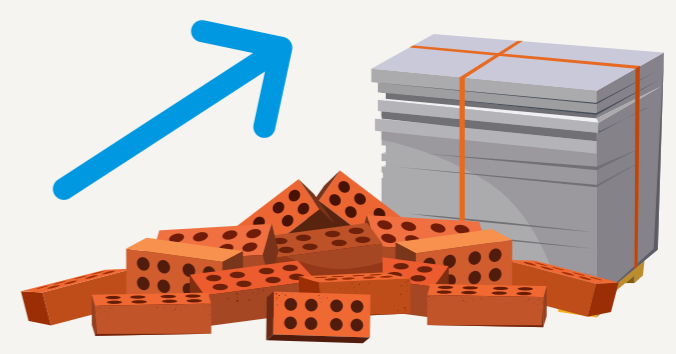
## Limited homes for sale...



Low housing inventory



Increased purchases of single family homes by institutional investors



Supply chain challenges causing increased costs for materials and fewer new homes

## ...and prices are high.



**\$428,700**

Median sales price for single-family homes in the first quarter of 2022  
(St. Louis Federal Reserve)

**16%**

This is a 16% increase from the first quarter of 2021



**\$67,521**

Median household income (2020 U.S. Census Bureau)

Median home sales are more than six times median household incomes

## Plus, the Fed is raising interest rates.



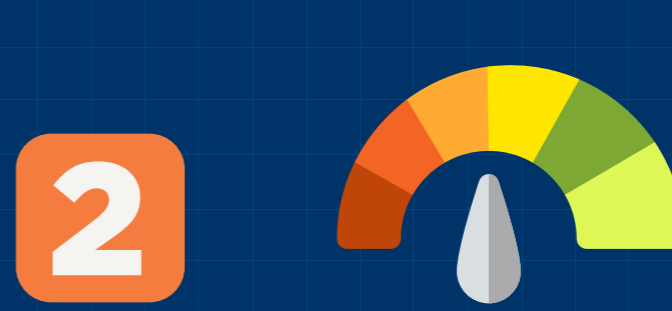
The 30-year fixed rate mortgage average rose more than 2% between June 2021 and June 2022.  
(Federal Reserve Economic Data)

However, homeownership is not a lost dream—it's a long-term investment. Here's how you can achieve it:



### 1 Gain speed with bank lenders.

Be prepared for the house-bidding process. Get pre-approved for a loan so you can quickly and effectively bid on your dream home.



### 2 Fix financial flaws.

Clean up your credit and pay down your debt. If you address problems early, you are more likely to qualify for a better interest rate.



### 3 Build your savings.

Down payments for first time homebuyers generally range between 6-7% on average (National Association of Realtors). However, offering a larger down payment helps you build equity faster, reduce monthly payments and eliminates the need for private mortgage insurance.



### 4 Understand your local market.

Once you know what you're looking for, research what similar homes have sold for in the past six months.



### 5 Set a realistic budget and stick to it.

Consider what you absolutely need in a future home and where you can make concessions.

Find more tips from ABA Foundation at [aba.com/consumers](https://aba.com/consumers)

