

HINTS FOR HOMEBUYERS

Finding The Right Home For Your Budget

By John Addison

(NAPSA)—No matter what state the housing market is in, homebuyers would be smart to remember a simple tip: Experts say not to spend more than two and a half times your income on a house.



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Sticking to that rule can help keep your mortgage payments affordable and keep you from being “house poor.”

Here are a few additional tips for finding a home that you can afford:

- **Keep An Eye Out For ARMS**—Adjustable-Rate Mortgages, or ARMS, have monthly payments that could eventually adjust with the market. Unless you definitely plan to move in just a few years, look for fixed-rate loans in which the interest rate is set for the life of the loan.

- **Beware Of Interest Only**—Interest-only loans are ticking time bombs of debt. Why? You pay only the interest on the loan and not the principal.

- **Avoid Debt**—Being able to borrow money isn't the same as being able to afford it. Before you buy a house, remember additional expenses that could be tacked on to mortgage payments—things

such as property taxes, utilities, maintenance and homeowner's insurance costs.

Protecting Your Investment

Once you purchase a home, take steps to protect the investment with the right insurance. Kiplinger's says life insurance is a must for homeowners. It recommends buying inexpensive term policies. But you might be able to cut insurance costs further by combining all your policies—life, auto and home—under one company.

Remember to shop around, too. Insurance rates can vary from company to company, so it could be worth your while to see what's out there before making a purchasing decision. The Web is a great resource for comparison shopping, with some sites even giving you several quotes from different insurance companies at once.

Finally, whether you own a home or are shopping for one, it's important to understand how to take control of your financial life. To get a copy of “How Money Works,” write to Primerica, 3120 Breckinridge Blvd., Duluth, GA 30099, ATTN: Corporate Relations, or call (770) 564-6329. For more information, visit www.primerica.com.

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