

FREQUENTLY ASKED QUESTIONS ABOUT PURCHASING



What are the financial reasons to purchase a home?

There is a reason that the average home owner has a net worth which is over ten times that of renters, according to statistics published by the Federal Reserve. As a long-term investment, a home carries major advantages over just about any other investment vehicle:

- **Leverage.** The fact that you can purchase a home with a small down payment means that you own a large asset which has historically gone up in value over time. This “leverage” magnifies the gain as opposed to receiving the same rate of return from a bank account or stocks.
- **Tax Deduction.** Unlike rent, a significant portion of a mortgage payment (real estate taxes and interest) can be deducted from your taxes which lowers the monthly cost of home ownership.
- **Automatic Savings.** One hundred percent of your rent goes to your landlord. Part of your mortgage payment goes toward paying down the principal of your mortgage, which means you are paying yourself instead of your landlord.
- **Inflation Protection.** Your entire rent payment goes up every time your landlord announces an increase. A fixed rate mortgage payment does not rise as quickly because only a small portion of the payment can rise. Therefore, owning is a great financial decision today as it only gets better with time!

Why does owning lead to a better life for you and your family?

Did you know that Fannie Mae surveys have shown that Americans would prefer to own even if the financial decision to own was a “break even” when compared to renting? Here are a few reasons why owning results in a better quality of life:

- **Security.** No longer can a landlord tell your family to move from your home.
- **Freedom of choice.** You can decide what colors to paint your walls and what plants look best in your yard.
- **Community.** Owning makes you a long-term part of a community in which you will develop relationships that will last a lifetime.
- **Better Neighborhoods.** Communities of home owners have lower crime rates and children of owners do better in school as opposed to renters, even when income and educational levels are the same for both renting and owning parents*

*Source: “Measuring the Benefits of Homeowning: Effects on Children Redux,” published by the Lusk Center for Real Estate.



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What is the first step to owning a home?

Only McLean Mortgage Corporation offers a LoanFirst Preapproval Program, which is the most important first step in purchasing a home whether you are a first time buyer or a seasoned investor. Having our underwriters offering a commitment before you shop will put you ahead of the competition when shopping for a home.

- A LoanFirst commitment gives you more negotiating power with the seller because they know your documentation has been approved.
- You will be able to shop with the peace of mind that comes with knowing that an underwriter has reviewed your file.
- The entire process is smoother with a LoanFirst because any issues that may come up during the process can be resolved up-front, without the pressure of a fast-approaching settlement date.

Should I purchase a new home?

There are several reasons as to why you might consider a newly constructed home as opposed to purchasing a resale.

- In times of tight inventory, there may be a better selection of new homes available.
- A new home gives you the ability to select the lot and features, instead of trying to find the right “fit” in a home which is already built.
- Because everything is new, there is less maintenance costs.
- Newer homes have more advanced energy savings and technology features.
- You can start in a community with people who are new residents like you, which is a great position to start long-lasting relationships.

McLean Mortgage Corporation is the preferred lender for many area home builders. Why do home builders prefer McLean? Because they know that the purchasers of their homes are in good hands. Plus we offer special programs and services to new home buyers. These include premium pricing that can lower your closing costs and long term locks that can ensure the safety of a rate commitment while the home is being built. We can also help with special situations such as custom construction financing and model home leaseback transactions.

