

Holiday Shopping

DOS AND DON'TS FOR HOMEBUYERS

Protect your mortgage readiness (and your dreams of homeownership) with these simple spending tips!



DO: GO ON THE HUNT FOR SMALL APPLIANCES

While large purchases are a no-no during your mortgage loan process, smaller, more affordable finds are fair game! Black Friday can be a great time to pick up a blender, toaster and other gadgets you'll need in your new kitchen. Just don't go overboard!

DO: GO ON MODEL HOME TOURS

You won't have to get up at the crack of dawn to shop for a brand-new home, but Black Friday is still a great time to avoid the crowds and scope out communities and floor plans in the areas where you may want to live.

DO: TAKE SOME TIME TO RELAX WITH FRIENDS AND FAMILY

Thanksgiving weekend is about being thankful for what you have and the people in your life. It's so easy to forget that if you get sucked into a shopping frenzy. If you do hit the stores, be sure to make a fun day of it with the friends and family the holiday was designed around.



DON'T: PUT A DENT IN YOUR SAVINGS

No matter how attractive a deal seems, consider postponing major purchases until after you've closed on your home—especially if the cost will add to your overall debt or deplete your savings.

Why? Keeping money in your savings account as a cash reserve can help you look like less of a risk to lenders. It can also help you maintain your history of paying bills on time, which is a major factor in your credit score. Using credit cards instead of cash has its own hazard; increasing your debt-to-income ratio can nudge the needle downward on your score.



DON'T: GET PULLED INTO TOO MANY FURNITURE DEALS

Be especially wary of great furniture deals. Not only are these purchases a big hit to your bank account or credit card, but they may end up being a poor choice for your future space, especially if you haven't found your dream home yet. Sofas, in particular, are notorious for looking much smaller in the showroom than in your living room. We recommend saving your money and splurging on furniture after you have the keys and can take the appropriate measurements.

DON'T: OPEN A NEW CREDIT CARD

As any mortgage consultant can tell you, opening new accounts before or during your mortgage application process is not a good idea. Adding accounts can lower your average account age and lower your credit score. Not something you want during the loan process!