



Homebuyer University

My Homeownership Action Plan

Use this worksheet to pull all of your work to date together to give yourself a plan for how to reach homeownership. Work the steps after you complete this course using the resources in your student binder. You can also share this worksheet with your housing counselor and real estate agent to help you stay on track.

1. Is Homeownership Right for Me?

Start by reflecting on your readiness for homeownership. From the list below and from the class brainstorm of homeownership responsibilities, list out each in the appropriate columns for your own readiness. Then use the reflection prompts below to consider your readiness.

- Pay mortgage payments
- Pay property taxes
- Pay water bill
- Pay homeowner's insurance
- Schedule and pay for trash collection
- Maintain landscaping routinely
- Remove snow/leaves routinely
- Clear rain gutters routinely
- Maintain furnace and water heater routinely
- Control pests routinely
- Do or hire for misc. repairs and maintenance
- Keep savings for home maintenance
- Be a good neighbor
- Plan for estate transfer

I can take these on right now!:

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I can work on/learn these:

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I won't be able to manage these:

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Reflection 1: Do I feel ready for the financial responsibilities of homeownership?

- Am I committed to making all of my payments on time?
- Do I feel stable enough to make my payments for a long time?

Reflection 2: Do I feel ready to take on the maintenance responsibilities of homeownership?

- Do I feel ready to save for and act on maintenance and upkeep needs on my own?

Reflection 3: How does homeownership fit with my life?

- Do I have any major life events or career changes coming up for myself or members of my household that will affect my time, finances or city of residency?
- Do I have any circumstances that cause volatility in my life, like needing to assist or care for other family members?

2. My SMART Homeownership Goal

Next, set your homeownership goal. Refer to the example in Appendix A of this worksheet to help you fill out the table below. The letters of SMART are out of order in this table so that each section can build off of the previous ones logically. Remember, your goal is not fixed – you can always adjust your goal to work best for you.

SMART Framework	My Goal
Specific Where and what type of home do I want to buy?	
Measurable How much do I think the home will cost? How much will my upfront costs be? How much will my ongoing costs be?	
Time-Bound When do I want to purchase the home?	
Actionable How much do I think I can save each month for purchasing my home?	

Realistic

Is this a realistic goal based on my financial picture?

Consider these factors:

- *How much do I have saved already?*
- *Do I need down payment assistance?*
- *What do I have to do to be "loan ready"?*

3. My Homebuying Action Steps

This checklist summarizes the steps to homeownership we explored in Homebuyer University. If applicable, resources for completing each step are listed in parenthesis. Fill in your target dates now and then complete the actual dates as they happen. Cross off any rows that don't apply to your situation.

Action Step	Suggested Timeline	Target Completion Date	Actual Completion Date
Self-assess financial readiness	<i>At least 12 months from close</i>		
Set target purchase price range and timeline	<i>At least 12 months from close</i>		
Visit a HUD certified financial counselor	<i>At least 12 months from close</i>		
Set up savings, debt and credit goals	<i>At least 12 months from close</i>		
Identify house needs and wants	6-12 months from close		
Visit and research at least three neighborhoods	6-12 months from close		
Research lenders/loans, real estate agents and real estate attorneys	6-12 months from close		
Research down payment assistance options	6-12 months from close		
Select target neighborhood(s)	4-6 months from close		
Complete homeownership savings goals	4-6 months from close		
Complete debt goals (for loan readiness)	4-6 months from close		

Action Step (continued)	Suggested Timeline	Target Completion Date	Actual Completion Date
Complete credit goals (for loan readiness)	4-6 months from close		
Finish collection of all loan documents	4-6 months from close		
Visit at least three lenders to review loan products and discuss down payment assistance options	4-6 months from close		
Pre-apply for a loan with your lender/s of choice	3-6 months from close		
Hire a real estate agent	3-6 months from close		
Hire an attorney	3-6 months from close		
Visit, research and assess homes	1.5-6 months from close		
Select home and negotiate purchase with seller	45-60 days from close		
Complete closing and down payment assistance steps with lender, attorney, and agent	1-45 days from close		
Research and select homeownership insurance	1-45 days from close		
Make moving arrangements	1-45 days from close		
Close and move in!	0 days from close		
Arrange for how to always pay your monthly housing payment (PITI) on time. Set up automatic payments if appropriate.	Within 10 days from close		

Action Step (continued)	Suggested Timeline	Target Completion Date	Actual Completion Date
Arrange for how to always pay your monthly housing payment (PITI) on time. Set up automatic payments if appropriate.	Within 10 days from close		
Re-do household budget to ensure new/different expenses are captured; set up automatic payments where appropriate	Within 30 days after closing		
Create or update estate plans	Within 6 months after close		
Apply for Cook County Homeowner Exemption to reduce your property tax bill	Within 12 months after close		
Other:			
Other:			
Other:			
Other:			
Other:			
Other:			
Other:			
Other:			
Other:			

Example of a SMART Homeownership Goal

SMART Framework	Example
<p>Specific Where and what type of home do I want to buy?</p>	<p>I want to buy a three-bedroom condo in Washington Park or Woodlawn.</p>
<p>Measurable How much do I think the home will cost? How much will my upfront costs be? How much will my ongoing costs be?</p>	<p>I think the home will be about \$160,000.</p> <p>With a 5% down payment, I think my upfront costs will be about \$18,000.</p> <p>I think my monthly ongoing costs will be about \$1,400, which includes maintenance and utility costs.</p>
<p>Time-Bound When do I want to purchase the home?</p>	<p>I want to close in 1.5 years (18 months) but I have some flexibility here.</p>
<p>Actionable How much do I think I can save each month for purchasing the home?</p>	<p>I can save about \$400 a month for upfront costs, which will be \$7,200 after 18 months.</p>
<p>Realistic Is this a realistic goal based on my financial picture? Consider these factors:</p> <ul style="list-style-type: none"> • How much do I have saved already? • Do I need down payment assistance? • What do I have to do to be "loan ready"? 	<p>I have about \$6,000 saved right now that I can use for this purchase. If I save \$400 a month, I will have \$13,200 by the time I want to buy (\$6,000 + \$7,200).</p> <p>This means I will likely need at least \$4,800 in down payment assistance. This seems reasonable and I will start discussing with my housing counselor. Alternatively, I could save for a bit longer or make a smaller down payment, but I would rather not so that my ongoing costs stay reasonable.</p> <p>To be "loan ready," I need to improve my DTI by reducing my debt by approx. \$150 a month. To do this, I need to pay-off two cards. This savings goal is already built into my 50/30/20 budget.</p> <p>I also need to make sure I pay every credit payment on time starting now. I have a few late payments on my credit report and I now know I need to show at least a year of perfect payments.</p>