



## *Savings and Asset Workplan Homeownership*

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Participant Name \_\_\_\_\_

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Date \_\_\_\_\_

1. Why are you interested in owning your own home?

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2. What are the benefits of homeownership to your household?

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3. What are the drawbacks?

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4. What are the minimum requirements for your home (# of bedrooms, bathrooms, size of yard, etc.)?

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5. What is your vision of the ideal neighborhood for your family?

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### **Do Your Research**

1. Check local newspapers, real estate circulars, and/or online realty companies for the price of homes that meet your minimum requirements. What is the average price?

Average (median) price \$ \_\_\_\_\_

2. Now check the same resources for homes above and below the minimum requirements stated above. What is the average of each?

Low \$ \_\_\_\_\_

High \$ \_\_\_\_\_

3. Research shows that, in general, families can afford a home that is 2½ - 3 times their annual income. Which of the above estimates are within this price range for your family?

\$ \_\_\_\_\_

4. Would it be feasible for your family to either slightly lower or raise your minimum expectations to this level? Would this make your family more comfortable (either financially or physically) in your new home?

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5. The average down payment on a home is 3-10% of the purchase price, depending on credit history. How much would the down payment be for each of the home prices researched above?

	Minimum	Median	High
3%			
5%			
10%			

6. Average closing costs can be \$2,400 - \$3,000. Add these amounts to the median down payment figures highlighted above to find an estimated total amount needed for your asset purchase. We will assume the rest of the cost will be covered by the mortgage.

	Low	Median	High
Median down payment amount			
Closing Costs	\$2,400	\$2,700	\$3,000
Total			

7. Most families eligible for the IDA program also qualify for other down payment assistance programs. If you have been determined eligible for a down payment assistance program, and know the amount you are qualified to receive, subtract that amount below.

Total estimated asset cost:	\$
Down payment assistance amount:	- \$
Total needed for asset purchase:	\$



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8. As you know, the IDA program will match your savings on a 4:1 basis for this purchase. Figure out your required portion of savings needed to reach the asset goal above (hint: divide the total needed for asset purchase by 3).

\$ \_\_\_\_\_

9. Keeping in mind the minimum and maximum savings amounts allowed per month, determine how long it will take you to reach your goal.

If you save \$25 per month...	If you save \$100 per month and deposit \$500 from EITC...
_____ Months	_____ Months

Congratulations! This is your asset goal. Keep in mind that you are able to save up to \$1,000 for a 4:1 match, even if your goal is not that high. The extra savings and match can be applied as an additional down payment or directly to the mortgage.

By signing this form, I understand that the above is my estimated asset goal amount and minimum timeframe to save. I understand that my actual asset goal and savings period may vary from these amounts and I will amend my savings plan accordingly.

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Participant Signature

\_\_\_\_\_

Date

\_\_\_\_\_

IDA Case Manager Signature

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Date