




**Who's**

**Who?**

**in Real  
Estate,**

***Mortgage  
Lending***

***& Home Improvement***



**Ogle County Life  
Monday, April 21, 2025  
Section C**



# WHO'S WHO IN REAL ESTATE

## How to boost home value before selling

**P**EOPLE considering buying or selling a home are facing a unique market. The real estate market has been in flux for several years, and high interest rates have made it more expensive to borrow.

The Mortgage Bankers Association is projecting that 30-year mortgage rates will level out to 6.5 percent for the foreseeable future. That means that people who have been waiting for changes in the real estate market could be disappointed, and hesitant buyers may finally just bite the bullet and buy even if mortgage rates are not where they hoped they'd be in 2025. Homeowners with properties they are considering listing for sale would be wise to make certain changes that will help garner the best prices from buyers.

### Make kitchen and

### bath improvements

The kitchen is the heart of many homes. Real estate agents may recommend that homeowners make minor to moderate kitchen upgrades like resurfacing cabinets, upgrading countertops and changing fixtures or hardware to give the room an overhaul.

Homeowners also should look to bathroom updates as smart investments that can improve home value. Katie Severance, author of *The Brilliant Home Buyer*, characterizes kitchens and baths as "money rooms" that add the most value to a home.

### Declutter the home

Homeowners should clean out items they no longer need. Decluttering can make a space feel bigger, which is beneficial in a market where open concept floor plans remain popular among home buyers.

When buyers walk



through a prospective home, they want to envision themselves living there, something that is more easily done if the home isn't overrun with the current homeowner's

belongings.

### Get to painting

Painting a home is a cost-effective renovation with a lot of oomph. Freshly painted rooms appear clean and updated, says HGTV,

and that can appeal to buyers. Homeowners should choose neutral colors to accommodate the widest array of potential buyers.

### Improve the landscaping

The exterior of a home is the first thing potential buyers will see as they roll up to view a property or look at a listing online. Homeowners should start by evaluating and enhancing the landscaping. Ensure the lawn is well-maintained and add plants that provide color without a lot of maintenance.

### Expand usable space

Homeowners can think about adding to the usable space in a home. This translates into finishing basements or attics or even converting garages to rooms. Or it may involve adding a three-season room.

Homeowners can consider a number of improvements to increase the resale value of their properties.

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# WHO'S WHO IN REAL ESTATE

## Tips to navigate a challenging real estate market

**R**EAL estate has long been touted as a worthy long-term investment. With that conventional wisdom in mind, young adults often make buying a home one of their first big-ticket purchases. Though real estate remains a potentially lucrative investment, the market for homes has been difficult to navigate for several years running.

High mortgage interest rates and low inventory have left many buyers feeling priced out of the real estate market. Others may find the competitive nature of the modern real estate market too stressful. No one can predict if or when the real estate market might be less challenging, but the following are some ways those looking for a house can navigate that process.

- **Ready your finances.** It goes without saying that prospective buyers must get their financial affairs in order before they begin

shopping for a house. But finding a home in the current market takes time, and some buyers might have let their mortgage preapproval letter expire without realizing it. Others might have experienced a dip in their credit rating as they turned to credit cards to confront inflation. That means buyers who began looking for a home months or even years ago might not be positioned to buy now should they find a home to their liking. Revisit your finances if it's been awhile. Pay off any consumer debt that has accumulated in recent months and reapply for mortgage preapproval if necessary.

- **Be ready to pounce.** Data from the National Association of Realtors found that the average home spent 32 days on the market before being sold in November of 2024, which was a full week longer than a year earlier. That's good news for buyers, but it still means buyers must

be ready to pounce if they find a home and home price to their liking.

- **Hire a real estate agent.** The hectic pace of the modern real estate market can be difficult for anyone to keep up with. But real estate agents keep up with the market for a living, and they can be invaluable resources for buyers whose commitments to work and family are making it difficult to keep pace.

- **Emphasize long-term growth and value when assessing properties.** According to Zillow, the median list price of homes in the United States was just under \$387,000 by the end of January 2025. But buyers must also recognize that 22.4 percent homes sold above list price in that month, according to a Redfin analysis of MLS data and/or public records. Buying a home is more than an investment in a property. It's also in some way an investment in the town where the home is

located and in a homeowners' future. So while it can be tempting to buy a home with the lowest asking price, home buyers should also seek homes that figure to experience the best long-term growth in value. Homes situated in safe and welcoming towns with good schools are arguably a better investment than homes with lower sticker prices but no such amenities.

The real estate market has been challenging for buyers over the last several years. Various strategies can help buyers find a home that suits them and their budgets.



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# WHO'S WHO IN REAL ESTATE

## What to know about investing in real estate

**I**NVESTORS look for various opportunities they hope will help them grow their wealth. Some invest in the stock market directly by buying stocks and bonds, while others choose a more passive form of investing like index funds. Certain investors prefer to back enterprising entrepreneurs, and some people determine that real estate is the avenue to pursue.

There are several different ways to invest in real estate, including buying a home. Investing in real estate can be lucrative, although the return on such investments can be affected by high interest rates. When interest rates fall, investors often come out of the woodwork. According to a 2022 Bankrate survey, 29 percent of Americans said that real estate was their prime pick for investing money they won't need for at least 10 years. Investors considering real estate have many options to choose from.

### Become a landlord

NerdWallet says buying a property with the intention of renting it out is one of the most common ways to invest in real estate. However, this could be one of the more labor-intensive real estate investment options, as it requires property owners to field calls from renters and always be available to tackle issues that inevitably arise. Plus, if renters are not properly vetted, landlords may end up with

less-than-ideal tenants. While there are management services that can offset some of the work, farming out tasks comes with expenses that can cut into profits. Still, when a successful renter-landlord dynamic is established, this option can provide significant long-term income.

### Flipping properties

Buying a property and "flipping it," which means renovating and putting it up for sale shortly after, is another real estate investment venture. Flipping requires a lot of work and perhaps even some extraordinary skills. First, it involves finding up-and-coming neighborhoods and then renovating within a reasonable budget so that you can sell the home at a premium. Remodeling costs can run high, and the time involved in flipping may be longer than investors anticipated.

### Buying your own home

Building equity in a home creates a nest egg that homeowners can tap into at a later time, particularly when they choose to sell. Bankrate says banks treat owner-occupied properties more favorably, giving borrowers lower mortgage rates and requiring lower down payments.

### Purchase REITs

REITs are real estate investment trusts that enable investors to invest in real estate without actually touching physical real

estate properties, advises NerdWallet. REITs are like the mutual funds of the real estate realm, and include companies that own commercial real estate. REITs can pay out high dividends, making them popular retirement investments. Dividends can be reinvested to grow your money further.

Investing in real estate can be a worthwhile option for people who want a tried-and-true vehicle for seeing their money grow.



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# WHO'S WHO IN REAL ESTATE

## How to determine if the time is right to downsize

**T**HE phrase “bigger is better” has endured for quite some time. Though it may be impossible to pinpoint precisely who coined the phrase, its lesson that larger things tend to be more valuable than smaller alternatives is applicable in numerous situations. But no adage is applicable to every situation, and in some instances people may find that bigger is not better.

Downsizing is an approach many individuals consider after turning 50. Parents who are empty nesters and others nearing retirement may wonder if the time is right to downsize from their current homes. Though that’s a strategy millions of people have adopted over time, the decision is not always so simple.

Individuals over 50 who are trying to determine if downsizing is right for them can consider a host of factors before making a decision.

• **Monthly housing expenses:** Before downsizing their homes, individuals should determine just how much they’re currently spending on housing. Individuals who have fixed rate mortgages likely know the amount of their monthly mortgage payment, but what about maintenance? Home maintenance expenses

fluctuate, but a careful examination of the previous 12 months’ expenditures can give homeowners an idea of just how much they’re spending to maintain their properties. The number may be eye-opening, as Thumbtack’s “Home Care Price Index” released in the third quarter of 2024 revealed that the average annual cost to maintain a single family home reached an all-time high of \$10,433. If such expenses are preventing homeowners from building their retirement nest eggs, then it might be time to seek alternative housing.

• **Real estate prices:** Real estate prices have skyrocketed in recent years, which can be both good and bad for current homeowners considering downsizing. Many people who downsize look to move from a single-family home into a condominium, where maintenance tasks are typically handled by a homeowners’ association (HOA). Such communities typically charge HOA fees, which can be minimal or considerable. In addition, the price of condominiums has risen in recent years, with the lender New American Funding reporting in early 2024 that the median sale price of a condo reached \$341,000. So homeowners who want to down-



size their homes may end up taking most of the profit from selling their current properties and reinvesting it in a costly condo. Some may deem that worthwhile, while others may find the cost savings of downsizing in the current market are negligible.

• **Emotional attachment:** Downsizing may be considered with cost savings in mind, but it’s important to consider your emotional attachment to your current home. Many homeowners over 50 raised their

families in their current homes, and letting go of a property where so many memories were made can be difficult. Homeowners who are not prepared to move on from properties that are meaningful to them and their families can consider additional ways to downsize their financial obligations.

Downsizing is something many homeowners over 50 consider. Any decision regarding downsizing is best made after considering a range of variables.

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# WHO'S WHO IN HOME IMPROVEMENT

## How to establish a peaceful backyard retreat

**B**ACKYARDS have undergone quite a transformation over the last decade-plus. The days when patios and decks were all a backyard living space had to offer are largely a thing of the past, as homeowners have realized just how valu-

able it can be to commit to a stunning backyard.

The real estate experts at Zillow estimate that homes with backyard features such as outdoor televisions, outdoor showers and outdoor kitchens command 3.1 percent more than expected upon reaching the market.

If 3.1 percent doesn't sound like a lot, it actually equates to nearly \$11,000 on a typical home. But there's more to gain than money when converting a backyard space into a relaxing respite. Such spaces can provide a welcoming escape from the hustle and



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bustle of daily life, all the while giving homeowners and residents a comfortable space to soak in the great outdoors. With that in mind, homeowners can take the following steps to establish a peaceful backyard retreat.

- Refresh the landscape.

Even if your vision is centered on outdoor furniture and a space that accommodates movie nights under the stars, it's still best to refresh the existing landscape if it needs a little upkeep. Overgrown trees, hedges and bushes can create the same cluttered vibe that dominates interior spaces overrun with items. If necessary, work with a local tree service or landscape architect to trim, or even remove, trees and hedges that are crowding the backyard and making it feel claustrophobic or giving it an unkempt look. Aim for a landscape that affords a balance of sun and shade so the space is as comfortable as possible throughout the day.

- Set up multiple gathering

spaces, if possible. Once a backyard retreat is established, everyone who calls the property home might find the space hard to resist. Keep this in mind when planning the space and aim to set up multiple gathering spaces. An outdoor kitchen with a nearby dinner table can be a great space to enjoy al fresco dining, but a separate area to read a book or watch a movie or ballgame can make the space more versatile. Some may want to relax away from the noise of the grill area, and multiple gathering spaces ensures there's always a peaceful spot to unwind out back.

- Add a water feature. Running water has a way of calming the nerves, and that's good to keep in mind when planning a backyard retreat. Water features run the gamut from garden ponds to koi ponds to fountains to hot tubs. Homeowners can identify which feature best aligns with their idea of

relaxation and then work with a landscape architect to ensure it's installed in their backyard oasis.

- Don't forget shade. Temperatures are rising in many areas of the globe, and that's worth noting when planning a backyard retreat. Even the most ardent sun worshippers likely won't want to be exposed to the sun at all times when relaxing in their backyards. Strategically chosen means of providing shade can make spaces enjoyable all day long. Consider umbrellas, gazebos, pergolas, and even retractable awnings to cover patios and decks when the sun is at its highest each afternoon. If you plan to spend ample time in the grass, make that more enjoyable by planting shade trees, which also can protect the grass from drought and make it more comfortable underfoot.

A relaxing backyard retreat can make for an ideal space to escape the hustle and bustle of daily life.



# WHO'S WHO IN HOME IMPROVEMENT

## Pros and cons of open concept floor plans

**O**PEN floor plans that make it easy to move through primary living and entertaining areas have been popular for decades. Open concept floor plans join the dining room, kitchen and living (great) room into a communal space where sight lines are maximized and walls are minimal.

According to JJones Design Co., the origins of open concept floor plans may be traced to the deaf community. An open layout allows for better visual communication and awareness of one's surroundings, and some deaf

individuals modified their kitchen and living spaces to facilitate more room for social gatherings and signing. Nowadays, it's nearly impossible to find a new construction with closed-off rooms. Here's a look at some of the pros and cons of having an open-concept home.

**Benefit:** Open concept plans make small spaces feel bigger. When smaller homes are broken up by walls, they can seem even smaller. By tearing down walls, one can trick the mind into thinking there is more square footage.

**Drawback:** The space may feel too large. An



open concept floor plan in a large home can make interior spaces feel cavernous. A cozy home can be difficult to achieve with fewer walls.

**Benefit:** Open concept plans facilitate the flow of natural light. Without walls to break up rooms, homeowners can maximize light coming in through their windows. This also may help to brighten darker rooms that do not get as much natural light.

**Drawback:** Privacy can be hard to achieve. Unobstructed views from windows and doors can

make it more challenging to create privacy when desired. When window shades are open, passersby can see into a home. Also, sunlight may end up wearing out flooring and furniture throughout the home.

**Benefit:** Open floor plans allow more space to spread out when entertaining. One of the biggest plusses of open floor plans is that it makes it easier to host crowds. Guests can enjoy the communal space, while hosts can still interact with friends and family even while preparing meals in the kitchen.

**Drawback:** Homeowners will likely need to do more cleaning ahead of hosting guests, as multiple rooms will be on display. Also, cleanup afterwards may be more arduous since guests have spent time in multiple spaces.

**Benefit:** Open concept plans can improve property value. The home renovation experts at The Spruce note open floor plans are desirable and increase the value of a home by up to 7.4 percent a year.

**Drawback:** Some home buyers are beginning to shy away from open floor

plans. This may have been prompted by stay-at-home requirements during the COVID-19 pandemic, when multiple family members were working and doing school work at home. In that environment, an open-concept layout didn't provide the privacy or distraction-free spaces residents may have needed.

Open floor plans have been around for more than 30 years, but they aren't everyone's cup of tea. The pros and cons of this design style merits consideration when renovating or shopping for a home.



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# WHO'S WHO IN HOME IMPROVEMENT

## Projects to consider before moving into a home

**T**HE day homeowners move into a new home is a unique experience. First-time home buyers may see such a day as the culmination of years of hard work, while those who are not new to the experience may find their new home is where they'll spend the rest of their lives.

Move-in day is indeed a notable milestone, but there's much homeowners can do between closing on a home and backing the moving truck into the driveway. In fact, it may be best for homeowners to complete several home interior projects while the residence is still empty.

### Painting

Painting home interiors is among the more logical projects to consider before moving into a home. Simply put, an empty home is far easier to paint than one filled with furniture and other items. Professional painters may even discount a project if they know they won't have to cover and/or move any furniture before and after applying paint. Painting before anyone has moved in also saves residents the discomfort of living in a home overcome by the lingering aroma of drying paint. Simply open the windows and let the home air out throughout each painting session.

### Flooring

Flooring projects are another undertaking to consider before moving in. Whether you're tearing up old carpet and replacing it with new carpet, refinishing wood floors, or installing a wholly new floor, each task is considerably easier if there is nothing on the floor. Flooring projects are best left to the professionals, and labor costs may drop considerably if contractors don't have to pause to move furnishings or work around other items.

### Deep cleaning

A professional cleaning service should be among the first calls homeowners make after closing on a new home. A deep cleaning when the home is empty and all lingering dust and debris is visible to the naked eye can ensure no spots are missed before move-in day. Request that the cleaning service clean the interior of kitchen drawers and cabinets, which have a tendency to accumulate grime over the years.

### Electrical work

Modern homes are plugged in, so addressing electrical issues prior to move-in day can ensure there are no interruptions to internet connectivity when everyone begins to settle into the home. This is also a great time to install additional electrical outlets, and



homeowners are urged to take the time to draw up plans for how each room will look once all of their furniture is in the house. Doing so can identify where additional outlets should be installed.

Homeowners also can visit their new home at night and turn on the lights to see if existing fixtures provide ample illumination. If not, installing new fixtures prior to moving in makes cleanup easier and ensures there are no dark nights once everyone is in the home.

### Ceilings

Replacing ceilings

prior to moving in is another savvy move. If the ceilings are dated or unsightly, removing, repainting or replacing them before anything is beneath them is a great way to protect valuables from damage. And contractors may not need as much time to complete such a project in empty rooms as they would in spaces where they need to negotiate their way around furniture and other valuables.

Various renovation projects can be conducted prior to moving into a new home. Such an approach can save both money and effort.



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# WHO'S WHO IN HOME IMPROVEMENT

## 4 signs of potential electrical hazards in a home

**H**OMEOWNERS know that the work of maintaining a home is never done. Cleaning is a daily task associated with homeownership, and such sessions can reveal more than dust buildup or dirty walls and surfaces.

When cleaning a home, homeowners can pull double duty and look for potentially hazardous situations. For example, vacuuming and dusting sessions can present a great opportunity to spot electrical hazards that might otherwise go unseen. With that in mind, homeowners can keep an eye out for these four signs of potential electrical hazards when working around the house.

1. Tingling when touching an electrical appliance: The National Fire Protection Association (NFPA) advises homeowners to call a qualified electrician immediately if they experience a tingling feeling when touching an electrical appliance. The Electrical Safety Office notes experiencing a tingle or the feeling of being shocked is not normal. Homeowners who experience such a feeling should avoid the location and warn others in the home to do the same.

2. Wall outlets that look or feel unusual: Wall outlets do not garner much attention, as many are low enough to be out of sight or even behind furniture. So a cleaning



session might be the only time homeowners will notice issues with wall outlets. The NFPA notes discolored outlets or outlets that feel warm to the touch is a sign of an electrical problem. Various issues can cause outlets to look or feel unusual. An outlet could be short-circuiting or wires could be damaged, and each issue merits the attention of a qualified electrician.

3. Foul odors: An odor that calls to mind burning rubber is another indicator of an electrical problem. Various electrical experts indicate such odors can be indicative of damaged wiring, an overloaded circuit or loose connections, each of which poses a significant safety hazard. The NFPA urges homeowners to contact a qualified electrician immediately if they sense a smell of

burning rubber in their homes.

4. Flickering lights: Homeowners won't need to wait until cleaning sessions to notice flickering lights. Such flickering is hard to miss regardless of what residents are doing inside a home. Sometimes lights flicker because of a loose bulb, so homeowners who notice flickering should first turn off the light, let the bulb cool down if

need be and then check to make sure it isn't loose. If the bulb isn't loose, then lights could be flickering for a multitude of reasons. A loose connection can cause flickering, as can an overloaded circuit. Homeowners also may not realize that not all bulbs and dimmer switches are designed to work together. For example, modern LED light bulbs often require the installation of specific dimmer

switches or the lights won't operate properly. Flickering can result if these products are not compatible. If a home is old, then flickering lights could be due to old wiring that needs to be replaced.

Daily and weekly cleaning sessions can be a good time for homeowners to perform a quick audit of electrical outlets and lights to ensure everything is safe and working properly.



# WHO'S WHO IN MORTGAGES

## What shoppers should know about mortgage preapproval

**S**HOPPING for and ultimately purchasing a home can feel like a day at an amusement park. Much like a ride on a roller coaster, buying a home can be both exciting and a little scary, and those peaks and valleys have been even more profound in recent years, when the real estate market has been as tough as ever to navigate due to low inventory and high prices.

Though the real estate market has changed significantly in recent years, some conventional home buying wisdom still holds true. The importance of mortgage preapproval is one such notion, and it's even likely that being preapproved for a mortgage before making an offer on a home is more significant now than it was as recently as half a decade ago.

### What is mortgage preapproval?

Mortgage preapproval essentially confirms to sellers and sellers' agents that a given buyer has qualified for a mortgage they can use to purchase a property. In a competitive real estate market like the current one, mortgage preapproval can set buyers apart from the competition, increasing the likelihood that their offers will be accepted over ones submitted by buyers who have not been preapproved.

### What is prequalification?

Some buyers may hear the term "prequalifica-

tion" and assume it's the same thing as preapproval. However, the lending experts at LendingTree report there is a notable distinction between the two terms. Prequalification is less formal and based on a casual conversation with a lender that may or may not involve details about a buyer's credit history, income, monthly expenditures, and other pertinent financial information. Preapproval is a formal examination of a buyer's finances and financial history that is conducted after documentation such as W-2s and bank statements are provided. A lender also will conduct a credit inquiry through three major credit bureaus during the preapproval process.

### How do I get mortgage preapproval?

Mortgage preapproval is a simple process and it's a service offered by most mortgage lenders. A simple phone call or email to a lender can get the process started, and it does not take long for a lender to decide if an applicant qualifies for preapproval. However, insufficient documentation or misleading information can slow down the preapproval process (and potentially cause a lender to deny an application), so prospective home buyers are encouraged to provide ample and honest documentation of their finances.

### Does mortgage preapproval expire?

It can take buyers a

long time to buy a home in a competitive market with low inventory. So it's important that prospective buyers recognize mortgage preapproval has a shelf life of around 60 to 90 days. The preapproval letter a lender provides will indicate an expiration date for the preapproval. If that date comes and goes without buyers purchasing a home, they will have to reapply for preapproval.

### What to know about mortgage preapproval

Buyers also should know that a mortgage preapproval does not bind them to the lender who preapproved them. Buyers can still shop around for a mortgage once they make an offer on a home.

Mortgage preapproval is a vital part of the home buying process and can be especially useful in a competitive real estate market.



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# WHO'S WHO IN MORTGAGES

## Common questions about reverse mortgages

**H**OMEOWNERSHIP is a dream for millions of people across the globe. The National Association of Realtors indicates real estate has historically exhibited long-term, stable growth in value. Money spent on rent is money that a person will never see again. However, paying a traditional mortgage every month enables homeowners to build equity and can be a means to securing one's financial future.

Homeowners typically can lean on the value of their homes should they need money for improvement projects or other plans. Reverse mortgages are one way to do just that.

### Who is eligible for a reverse mortgage?

People near retirement age are eligible for

a specific type of loan they can borrow against. Known as a "reverse mortgage," this type of loan can be great for people 62 or older who perhaps can no longer make payments on their home, or require a sum of money to use right now, without wanting to sell their home.

In addition to meeting the age requirement, a borrower must live at the property as a primary residence and certify occupancy annually to be eligible for a reverse mortgage. Also, the property must be maintained in the same condition as when the reverse mortgage was obtained, says Fannie Mae.

### How does a reverse mortgage work?

The Consumer Finance Protection Bureau says a reverse mortgage,

commonly a Home Equity Conversion Mortgage, which is the most popular type of reverse mortgage loan, is different from a traditional mortgage. Instead of making monthly payments to bring down the amount owed on the loan, a reverse mortgage features no monthly payments. Rather, interest and fees are added to the loan balance each month and the balance grows. The loan is repaid when the borrower no longer lives in the home.

### What else should I know?

With a reverse mortgage, even though borrowers are not making monthly mortgage payments, they are still responsible for paying property-related expenses on time, including, real estate and property taxes, insurance premiums, HOA fees, and

utilities. Reverse mortgages also come with additional costs, including origination fees and mortgage insurance up to 2.5 percent of the home's appraised value, says Forbes. It's important to note that most interest rates on these loans are variable, meaning they can rise over time and thus increase the cost of borrowing. In addition, unlike traditional mortgage payments, interest payments on reverse mortgages aren't tax-deductible.

### How is a reverse mortgage paid back?

A reverse mortgage is not free money. The homeowners or their heirs will eventually have to pay back the loan when the borrowers no longer live at the property. This is usually achieved by selling the home.



The CFPB notes if a reverse mortgage loan balance is less than the amount the home is sold for, then the borrower keeps the difference. If the loan balance is more than the amount the home sells for at the appraised value, one can pay off the loan by selling the home for at least 95 percent of the home's appraised value, known as the 95 percent rule. The money

from the sale will go toward the outstanding loan balance and any remaining balance on the loan is paid for by mortgage insurance, which the borrower has been paying for the duration of the loan.

Reverse mortgages can be a consideration for older adults. However, it is essential to get all of the facts to make an informed decision.

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# WHO'S WHO IN MORTGAGES

## What buyers can do to get the best mortgage rate

**M**ORTGAGE interest rates have been headlining financial news segments for several years running. Much of that news has been met with less than open arms, as rates have risen dramatically in recent years, an increase that is related to the ripple effect of the COVID-19 pandemic.

Mortgage interest rates did not immediately spike after the World Health Organization declared a global pandemic in March 2020. In fact, data from the lender Freddie Mac indicates mortgage rates were still well below 4 percent on January 1, 2022. However, those rates hovered around 7 percent by the end of that year, and were still around that level at the start of 2024.

With such high interest rates, it's understandable if prospective home buyers feel helpless. However, there's much buyers can do

to help themselves as they seek to secure the lowest mortgage interest rate possible.

- Read your credit report and improve your score, if necessary. Many prospective home buyers save up for years in anticipation of the day when they will purchase their own home. During this period, buyers can read their credit reports and address any discrepancies while taking steps to improve their credit scores. Lenders consider a host of variables to determine an applicant's creditworthiness, and credit history and credit scores bear significant influence. The higher an applicant's credit score, the more favorable mortgage rate he or she is likely to get.

- Take control of your debt-to-income ratio. Debt-to-income (DTI) ratio refers to what you owe in relation to how much you earn. The lower your DTI, the better



you look to lenders. According to Bankrate, lenders typically want to avoid issuing mortgages to individuals if the monthly payment will exceed 28 percent of their

gross monthly income, and people who may be near that threshold for a given home may be denied a mortgage if their DTI is high. Prospective home buyers currently

carrying significant debt, including consumer debt like credit cards and/or student loan debts, should make a concerted effort to pay down that debt prior to applying for a mortgage. Prioritize paying off consumer debt before applying for a mortgage.

- Maintain a strong employment record. Steady employment and consistent earnings make mortgage applicants more attractive in the eyes of lenders. If you are currently shopping for a home or about to make an offer, now might not be the best time to switch jobs. Self-employed individuals and freelancers working multiple jobs can still qualify for a good mortgage rate, but they may need to provide more extensive documentation that indicates their earnings

going back several years. Individuals who have been working full-time for the same company for years may only need to provide W-2 forms from the two most recent tax years.

- Shop around for rates. Rates may not fluctuate much between lenders, but it's still worth shopping around for mortgage rates. A study from Freddie Mac found that the benefits of shopping around for a mortgage rate were especially notable in 2022 compared to the decade prior, saving borrowers who took the time to shop for rates substantial sums of money.

Mortgage rates remain high compared to a half decade ago, but prospective home buyers can take steps to increase their chances of qualifying for a favorable rate.

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