

Getting into the Home of Your Dreams and then Getting Qualified for the Loan to Buy it!

EZQualDreamHomes.com and Swiftcurrent Investment Group

January Newsletter

The ABCs of Finances; Start with the Basics

Well, the New Year is off and running isn't it?? So let's keep up with the times and dive right in! You are in your home, determined to improve your finances and on your way to getting financed for a mortgage. Owning a home is a great decision and fantastic investment. It takes some time and energy not only to take care of the physical property but also the finances that go along with it.

Let's start with the basics... the ABC's of finances and then each month we will add more information on credit and improving your scores. Truly, you will never get great credit scores until you know where your money is at all times.

A budget is the only practical way to get control of your spending and ensure you are spending money where you think and want to be spending.

A budget involves: evaluating your current spending habits, determine some financial goals and tracking your spending to make sure you stay within the parameters you have set for yourself.

There are many software systems out there like quicken and Microsoft money, or I have a sample budget on the EZQualDreamHomes.com website under articles and forms. Feel free to copy and past in a word document and print it out to use. Anything is better than nothing!

Making a budget and sticking to it is tough, but it will ensure your money gets used the way it needs to in order to improve your credit so you can get the best rates for all your purchases, allow you to save money so you can treat yourself and your family to trips and toys and sleep better at night because you know where your money is going and there is enough to pay the bills.

Most of us make common spending mistakes. Don't sweat it... just sit down and start. Once you have the basics written out it will be easy to follow and tweak.

First How Much Money is Coming in???

Income from :

- Your work
- Your spouse's work

- Child support
- Alimony
- Disability
- Social Security
- Anything that comes in on a regular basis

These are the funds you have to work with on a monthly basis. The goal is to spend less than this total amount each month!

Then you have the Debts or Expenses. This is what bills you pay, loans, anything that costs you money on a daily or monthly basis.

Expenses Include:

- House rental payment
- Car Loan
- Utilities
- Insurance
- Childcare
- Groceries
- Credit card
- Memberships
- Gas
- Miscellaneous- anything that is routine like movies, clothes, and so on

Then you add up all the expenses and subtract from your total Income. This gives you an overall amount of what comes in and what goes out. Then you want to fine tune it according to the dates money comes in and when bills are paid.

Now, sit down with your significant other or any decision makers and look at the budget you have just drawn up and see if your goals are matching your budget. If not you need to honestly look at where money is being spent and make changes to ensure you are spending in the areas that you feel are most important.

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