



# Lesson 1 Buying a Home

Name:

**Directions:** Use the links below to search for a home or condominium where you would like to live. If you are searching within North Dakota, the newspaper classifieds might be helpful. After you find an home, click [worksheet](#) to print a copy of the worksheet in PDF format. Then fill in all the blank spaces for questions 1-5 on your worksheet. After you have completed questions 1-5, go on to [lesson 2](#), or go back to the [homepage](#).

To search for a home within North Dakota, select a newspaper below and click Classifieds:

To search for home click on the link below:

[Realtor.com](#)

For information on best places to live try the following website:

[Sperling's Best Places](#)  
[CNNMoney](#)

- Ashley [Ashley Tribune](#)
- Beulah [Beulah Beacon](#)
- Bismarck [Bismarck Tribune](#)
- Bismarck [Farm & Ranch Guide](#)
- Center [Center Republican](#)
- Cooperstown [Sentinel-Courier](#)
- Crosby [The Journal](#)
- Devils Lake [The Daily Journal](#)
- Dickinson [The Dickinson Press](#)
- Fargo [The Forum](#)
- Finley [Steele County Press](#)
- Garrison [McLean County Independent](#)
- Grand Forks [Grand Forks Herald](#)
- Harvey [The Herald-Press](#)
- Hazen [Hazen Star](#)
- Hebron [Hebron Herald](#)
- Jamestown [The Jamestown Sun](#)
- Kenmare [Kenmare News](#)
- Linton [Emmons County Record](#)
- Lisbon [Ransom County Gazette](#)
- MAFB [Northern Sentry](#)
- McClusky [McClusky Gazette](#)
- Minot [Minot Daily News](#)
- Napoleon [Napoleon Homestead](#)
- New Town [New Town News](#)
- Parshall [Mountrail County Record](#)
- Steele [Steele Ozone & Kidder Co. Press](#)
- Turtle Lake [McLean County Journal](#)
- Underwood [Underwood News](#)
- Velva [Velva Area Voice](#)
- Valley City [Times-Record](#)
- Wahpeton [Wahpeton Daily News](#)
- Washburn [Leader News](#)
- Watford City [McKenzie County Farmer](#)
- West Fargo [Midweek Online](#)
- Williston [Williston Daily Herald](#)

**1. Down Payment:** After you find a home or condo, print the information you have on your computer screen for later reference (you will need the address of the property for an insurance quote). Determine how much money you will need for the down payment. You will finance the balance.

List the percent you will put down  %

Selling Price of the Home \$

Down Payment - \$

Amount to be Financed = \$

**Help - Down Payment:** No one pays cash for a house. Instead, you will make a small down payment (3-20% of the sale price) and get a bank loan for the rest. To figure the down payment, multiply the selling price of the home by the percent of the selling price required for the down payment. Example: \$140,000.00 house x 10% down = \$14,000.00. The size of the down payment depends on how good your credit is, and the type of loan you get. [Click here](#) for more information on the three types of loans (Conventional, FHA, and VA).

**Closing Costs:** Estimating the closing cost for your loan can be a difficult task. For a rough estimate of your closing cost and for the purpose of this exercise, multiply \$18.61 times (the total cost of your home divided by \$1,000.00).

Please estimate your closing cost in the space provided below.

$$(\text{Cost of your home divided by } \$1,000.00) \times \$18.61 = \$ \text{  }$$

**Utility Deposits:** You may be required to pay a deposit to put utilities into your name. Please list the required deposit for all utilities in the space provided below and add them together for a total.

Gas \$

Electric + \$

**Help - Closing Costs:** Visit [Bankrate.com](#) to get an idea what your closing cost will be. Once you reach the website, scroll down until you find the chart. According to the chart, the average closing costs for a \$180,000.00 home would be \$3,350.00. For the purpose of this exercise we will divide the \$3,350.00 average closing cost by the \$180,000.00 cost of the home. This comes out to approximately \$18.61 per each \$1,000.00 you spend on purchasing your home. To get a rough estimate of your closing cost, you need to multiply \$18.61 times (the total cost of your home divided by \$1,000.00).

**Example:** \$180,000 home would be

Water/Sewer + \$

Telephone + \$

Total Utility Deposits = \$

\$18.61 x \$180 = closing cost of \$3349.80.

You may also visit the [Loan page for the Buyer's Closing Costs Checklist](#) and use the Estimated Closing Costs Calculator for a more accurate estimate.

**Totals:** Now figure the total amount of cash you would need from savings to pay for your down payment, closing cost, and utility deposits write your answers in the space provided below.

Estimated Down Payment \$

Estimated Closing Costs + \$

Total Utility Deposits + \$

Cash from savings to purchase a home = \$

**Help - Utility Deposits:** If you are not sure if the utility companies require a security deposit, then leave all spaces blank and estimate the cost by writing \$100.00 in the space provided for the Total of all utility deposits. This will ensure that you have budgeted money just in case you need it.

**2. Mortgage Interest Rate:** Determine the cost of your [Mortgage Annual Interest Rate](#).

**Help:** Click on [Mortgage Annual Interest Rate](#). You can use the interest rate listed for your loan type or click on the link to compare mortgage rates in your area. Follow the instructions to determine your best Mortgage Interest Rate.

Mortgage Annual Interest Rate .  %

**3. Homeowners Insurance:** Get a [Homeowners Insurance Quote](#). The cost will be listed as a yearly rate.

**Help:** Click on [Homeowners Insurance Quote](#). After you get to the website, click Home Insurance or Condo Insurance, which ever applies. Follow all instructions to receive your Insurance Quote. You may use the [Zip Code Finder](#) to find the zip code for the area you want to live.

Annual Homeowners Insurance Cost . \$

Use the [Zip Code Finder](#) to find the zip code you want to search.

**4. Property Taxes:** When calculating Property Taxes, it is important to consider that Market value is different than Appraised value. Market value is the price people looking at your home are willing to pay for it. Appraised value is basically what the bank thinks your home is worth. For more information, please visit [Market Value vs. Appraised Value](#).

**CAUTION:** Don't get hung up on calculating property tax. You only need an estimate. If you have difficulty, you can always call the assessor's office in your county to find out how to calculate property tax in your area.

For an estimate of your annual property tax in North Dakota click on one of the following major cities (please note that in Fargo, you can search by property address to find out the actual taxes that were paid for the previous year. In Bismarck and Grandforks, you can type in the market value or purchase price to calculate a tax estimate):

- [Fargo](#)
- [Bismarck](#)
- [Grand Forks](#)

*Need to find a Zip Code? Use the [Zip Code Finder](#) to find the zip code for any address.*

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- [Bismarck](#)
- [Grand Forks](#)

To estimate your taxes for property in the Minot Community or if you are having difficulty figuring your property tax, use the following formula:

Residential Taxes = \$18.89 x (each \$1,000 of True & Full Value)  
 Example: A \$125,000 home would be \$125 x \$18.89=\$2361.25

To calculate Property Taxes outside of North Dakota, try [www.zillow.com](#). Type in your street address and zip

To calculate Property Taxes outside of North Dakota, try [www.zillow.com](http://www.zillow.com). Type in your street address and zip code. Then click on Home Details or click on the address link for the home, scroll down to Sales, Taxes & Comparables and follow the instructions to find the actual taxes paid the previous year.

code and click "GO". Then click on "See Home Info", scroll down to Charts and Data to find the actual taxes paid the previous year.

Annual Property Tax = \$

Annual Property Tax divided by 12= Monthly Property Tax = \$

**5. Mortgage Monthly Payment:** To figure your monthly payment cost, go to the [Mortgage Payment Calculator](#). After completion, write your monthly payments in the space provided below. Then calculate your yearly payments.

**Help:** Click on the [Mortgage Payment Calculator](#). Type in your Mortgage Amount (the amount of money you are borrowing), Mortgage Annual Interest Rate, Term of the Mortgage (the number of years you want to pay it back), Annual Property Tax, and your Annual Insurance costs and click Calculate. Your monthly costs will appear below.

(from question 1) Amount to be Financed \$

Monthly Principal & Interest \$

Monthly Property Tax Payment + \$

Monthly Insurance Payment + \$

**Total Monthly Payment** = \$

Multiply your Total Monthly Payment \$  x (times) 12 = \$  Total Yearly House Payment

[\(Home\)](#)

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