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A Note from Ann:

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Happy Spring! I hope this finds you all happy and healthy! As our economy gets better, our interest rates are going to rise. We're already at 4.5% for a 30 year fixed which is up from 3.5% in 2016. The Feds have already had one rate increase and are predicting 3 more for the year. Most predictions seem to end January at or around 5%. So, what does this mean to you? Let's break it down with the following example:

If you assume a \$250,000 mortgage loan for a standard conventional 30 year loan.

4.5% Interest would make your principle and interest payment \$1,266*

At 5% Interest the same loan payment would be \$1,342*

That's a \$76 difference PER MONTH in loan payments.

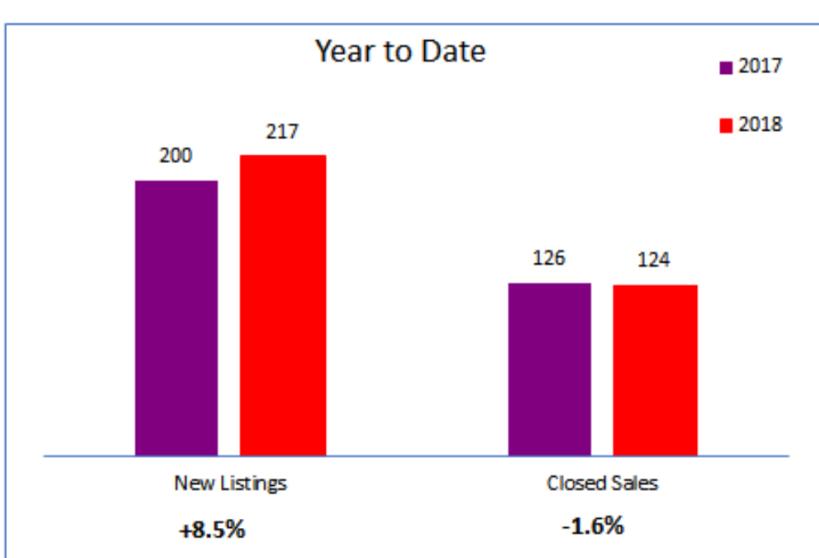
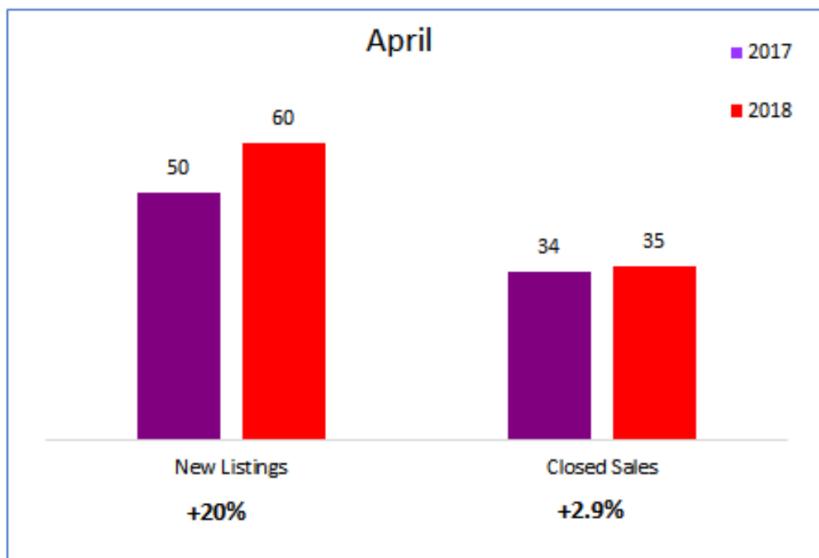
OR to keep your payments at the \$1266 rate quoted above, you could only afford \$236,000 worth of home. Or \$14,000 LESS than you could at 4.5%.

So, as you can see, 1/2% increase in the interest rate can make a big difference in the amount of home you can afford. If you've been fence sitting, this may be a good time to purchase. If you're looking to sell, I do believe the seller's market is slowing and with an increase in interest rates we may see less buyers and an increase in the time to sell.

Thank you for your continued support!

Bastrop Area Monthly Statistics

Below are the current statistics for the Bastrop Area. The average home sale price for April was \$227,259, which is up 8.6% from the previous year. The average home sale price for 2018, so far, is \$225,432 which is up +11% from 2017.



Around Town

Upcoming Events



May 5th-27th - Barton Hills Flower Festival

Get lost in 10 acres of vibrant flowers and hand pick yourself a beautiful bouquet! Enjoy more than 30 exciting family activities, while listening to LIVE Texas country & bluegrass music! Don't forget to come hungry and dig into our delicious burgers, hot dogs, kettle corn, local brew, wine, lemonade and more! For more information and to purchase tickets, [click here](#).

May 5th - Tough Mudder

Are you ready to run like your life (and a shot at qualifying for World's Toughest Mudder) depends on it? Lace up tight and train like you mean it, Mudder - Toughest Mudder South has 8 overnight hours of tough designed to test your grit, stamina, and teamwork, and push you far beyond whatever you previously thought yourself capable of. The diverse landscape at Bastrop's own McMahan Ranch course includes dirt bike trails, creeks, cow fields, deep woods, and the thickest, swampiest mud this side (and that side (and every side)) of the Mississippi. Put it all together and what does it mean? Your Toughest Race of the Season (So Far). For more information and to buy tickets, [click here](#).

May 12th - Smithville Fly-In and Lunch

Join us for the annual Airport Fly In. A great day of viewing old and new aircraft, military helicopters, flights for youngsters, candy drop and more. For more information, [click here](#).

May 17th-20th - Bastrop Music Festival

Bastrop Music Festival is a celebration of the Lost Pines region of Texas and showcases the best of the state: extraordinary natural beauty, remarkable and talented people, an independent spirit and an amazing culture. More than 30 bands – with many styles of music represented – are expected to be showcased in at least five venues. For more information or to purchase tickets, [click here](#).

How to Prepare to Finance a Home

Develop a budget.

Instead of telling yourself what you'd like to spend, use receipts to create a budget that reflects your actual habits over the last several months. This approach will better factor in unexpected expenses alongside more predictable costs such as utility bills and groceries. You'll probably spot some ways to save, whether it's cutting out that morning trip to Starbucks or eating dinner at home more often.



Reduce debt.

Lenders generally look for a debt load of no more than 36 percent of income. This figure includes your mortgage, which typically ranges between 25 and 28 percent of your net household income. So you need to get monthly payments on the rest of your installment debt – car loans, student loans, and revolving balances on credit cards – down to between 8 and 10 percent of your net monthly income.

Increase your income.

Now's the time to ask for a raise! If that's not an option, you may want to consider taking on a second job to get your income at a level high enough to qualify for the home you want.

Save for a down payment.

Designate a certain amount of money each month to put away in your savings account. Although it's possible to get a mortgage with 5 percent down or less, you can usually get a better rate if you put down a larger percentage of the total purchase. Aim for a 20 percent down payment.

Keep your job.

While you don't need to be in the same job forever to qualify for a home loan, having a job for less than two years may mean you have to pay a higher interest rate.

Establish a good credit history.

Get a credit card and make payments by the due date. Do the same for all your other bills, too. Pay off entire balances as promptly as possible.

Start saving.

Do you have enough money saved to qualify for a mortgage and cover your down payment? Ideally, you should have 20 percent of the purchase price saved as a down payment. Also, don't forget to factor in closing costs, which can average between 2 and 7 percent of the home price.

Obtain a copy of your credit report.

Make sure it is accurate and correct any errors immediately. A credit report provides a history of your credit, bad debts, and any late payments.

Decide what kind of mortgage you can afford.

Generally, you want to look for homes valued between two and three times your gross income, but a financing professional can help determine the size of loan for which you'll qualify. Find out what kind of mortgage (30-year or 15-year? Fixed or adjustable rate?) is best for you. Also, gather the documentation a lender will need to preapprove you for a loan, such as W-2s, pay stub copies, account numbers, and copies of two to four months of bank or credit union statements. Don't forget property taxes, insurance, maintenance, utilities, and association fees, if applicable.

Seek down payment help.

Check with your state and local government to find out whether you qualify for special mortgage or down payment assistance programs. If you have an IRA account, you can use the money you've saved to buy your first home without paying a penalty for early withdrawal.