

# A COMPREHENSIVE GUIDE FOR HOMEBUYERS ON SAVING TO BUY A HOME

This guide will help you learn everything you need to know about the best strategies to maximize your savings and prepare for the initial costs of buying a home.

## THE DOORWAY TO HOMEOWNERSHIP

Learn about common costs and fees included in the process of buying a home and what you need to save for.



### Down Payment

Typically  
**3%**  
to **20%**

of your desired home's value, but there is no maximum



### Upfront/ Closing Costs

**2%**  
to **5%**

of the loan principal  
(total cost of the home,  
minus your down payment)



### Examples

**Upfront & Closing Costs can consist of:**

- Appraisal
- Inspection
- Earnest deposit
- Property taxes
- Moving costs
- Utility deposit



### Red Flag

These costs can add up and become a lot, especially when the average savings of adults under 35 is only \$20,540, which is intended for emergencies and various expenses.

*As reported by Forbes in [this article](#) from Nov 14, 2023*

Before your dream feels too out of reach, we have **good news**: There are plenty of options to maximize your savings and easily achieve your goal in Central Ohio, from **special assistance programs** to **traditional saving accounts**.

## WHAT IS A DOWN PAYMENT?

A down payment is the initial upfront payment made in cash by the homebuyer when purchasing a home. It is typically a percentage of the home's purchase price. The higher the down payment, the lower the total loan amount of the mortgage.

According to a recent **Bankrate survey**, the down payment is **one of the top three hurdles first-time home buyers face when they're looking to settle down.**

Considering the average Central Ohio home priced at **\$348,569** in 2023, home buyers needed to accumulate **\$10,457 to \$69,713**, depending on their loan type, solely for the down payment.

Thankfully, there are some financial resources and programs to help you save faster and make money from interest on the funds you're saving.

IT'S TIME TO SAVE

ONLY  
**19%\***

of consumers feel that it's a good time to buy a home. However, even if you're not ready to buy now, you should start saving as soon as possible.

\*Source: <https://www.fanniemae.com/media/47746/display> Dec 19, 2023



\$348,569

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The first step toward your goal? Setting up a reliable savings plan.

SPECIAL HOME SAVINGS OPTION

# A BETTER WAY TO ACCOMPLISH YOUR GOAL



## Ohio Homebuyer Plus Savings Program\*\*

The state of Ohio is dedicated to offering support that will make buying a home easier—and more accessible. **The Ohio Homebuyer Plus Savings Program**, a partnership between the Ohio Treasurer’s Office and participating financial institutions, like KEMBA, offers a new savings option to encourage people to invest in their dream in the Buckeye State.

The program gives you access to above-market interest rates to help grow your money faster and get into your dream home.

**Above-market  
interest  
rates**

**No income  
requirements**

**Federally  
insured by  
NCUA**



**Birthday, wedding, or graduation?** Anyone, including your family and friends, can pay into your Homebuyer Plus account and help you move closer to your goal.

# PROGRAM QUALIFICATIONS

To be eligible for increased interest savings with an Ohio Homebuyer Plus account, an aspiring or existing homeowner must:



Use the account balance within 5 years of opening for buying a primary residence in the state of Ohio



Only use the account for **down payment** or **closing costs**



Reside in Ohio and be **at least 18 years old**



Maintain an account balance between **\$100-\$100,000**

## FLEXIBILITY

Besides the main benefits of participating in the **Ohio Homebuyer Plus Savings Program**, there is an additional perk in opening this type of account: if your plans change, you can still keep your dream goal going.

If you need to move out of Ohio or have a change in circumstances, the program lets you withdraw your savings and keep the accrued interest. However, you will have to close your account.



### Reminder

Homebuyer Savings Plus Accounts are strictly for home-buying purposes.

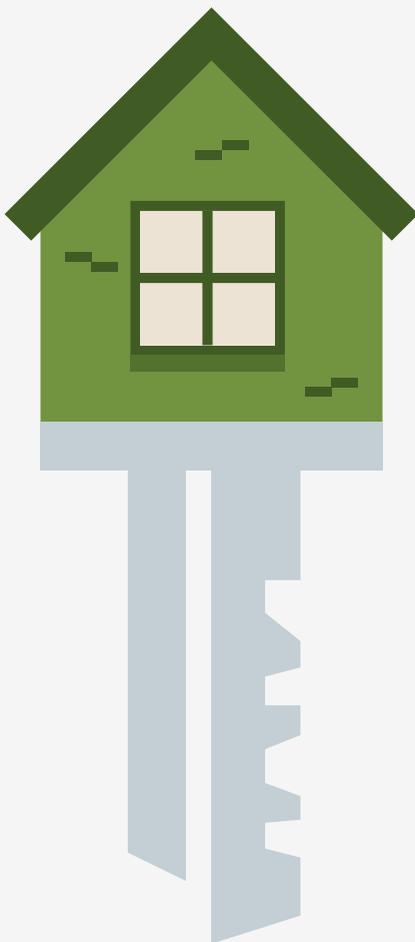
# ALTERNATIVE CHOICES FOR YOUR DREAM HOME FUND

Explore other traditional savings account types.



When it comes to savings, **where you put your money matters because the interest earned can make a big difference.**

You can choose to save for your down payment through other several available options:



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## Traditional Savings or Checking Account

You probably already have a Checking and Savings account with your financial institution of choice. While Checking accounts provide you access to your money for everyday needs, Savings accounts are better suited to accumulate savings for goals.

### Pros

- Federally insured by the NCUA (Credit Unions) or the FDIC (traditional banks).
- You can withdraw at any time.
- Enable allocation of funds to financial goals.

### Cons

- Relatively low interest rates compared to other savings options.
- Can be limited to certain types and amounts of withdrawals or transfers.
- May require a minimum balance to avoid paying fees.

Reference: <https://time.com/personal-finance/article/what-is-a-savings-account/>



### Is the interest earned a good thing?

Absolutely. Saving or investing money in an account results in “interest earned”, which is the extra money you receive over time as a reward for keeping your money there.

## MORE SAVINGS OPTIONS

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### Money Market Accounts\*\*\*

This is a flexible, interest-bearing option that allows you to earn higher interest based on the size of your savings, calculated as an Annual Percentage Yield (APY).

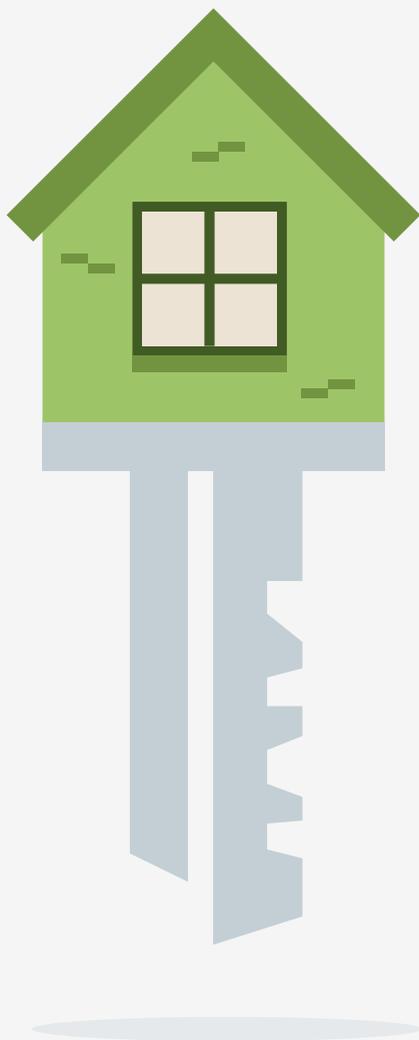
#### Pros

- Offers higher interest rates than standard savings accounts.
- Federally insured by the NCUA or the FDIC.
- Provides flexibility in accessing your funds.
- May offer the perks of savings and checking accounts, such as check-writing privileges and debit cards.

#### Cons

- Although it offers higher interest rates than checking/savings accounts, it's still lower compared to long-term investment options.
- Some financial institutions assess monthly fees and a minimum balance is often required.
- Due to governmental regulations, transaction limits may apply.

Reference: <https://fortune.com/recommends/banking/pros-and-cons-of-money-market-accounts/>



#### What does APY mean?

APY stands for Annual Percentage Yield, representing the total interest earned on an investment or deposit over a year, including compound interest.

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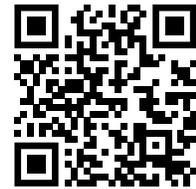
### Federal Programs

Another solution is applying to Homeownership Opportunities IDAs (Individual Development Accounts), which are available at the federal level to aid homebuyers, but only if the family makes less than 200% of the federal poverty line.

## THE KEMBA DIFFERENCE

At KEMBA Financial Credit Union, we believe everyone should have access to a safe, stable home, and strive to help Central Ohioans make their homeownership dreams a reality. **Our approach is rooted in personalized service.** We take the time to listen to your unique situation and help you assess your options to uncover your best opportunity – whether that means pre-qualifying you on the spot or recommending that you continue building your savings and credit. We work for you, and we are here to support you every step of the way on your journey to homeownership. That's the KEMBA difference.

Contact one of KEMBA's home buying experts for a free consultation today.



## TURN THE KEY TO A BETTER SAVING EXPERIENCE

Now that you have more information about the options available to save for and purchase your next home, KEMBA Financial Credit Union would love to talk and get you started on the right plan.

[SCHEDULE AN APPOINTMENT NOW](#)

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