

# your road home

— chfa homeownership eNews



## glossary

### Prepayment

Any amount paid to reduce the principal balance of a loan before the scheduled due date.

Source: Federal Trade Commission



## did you know?

### 8 out of 10

8 out of 10 people use a budget—up 10% in 2020.

Source: Debt.com



## interactive intersection

### Video

Watch how budgeting helps you pay bills and save money.

Source: Consumer.gov

## financial fitness focus: budgeting

In part three of *Your Road Home's* Financial Fitness Focus series, let's explore budgeting. To help you determine how and when homeownership may be possible for you, carefully review your budget and make updates where needed. Or, if you don't use a budget, this article can help you learn how to start.

### How can budgeting help me?

If you have a budget that you follow carefully, you'll build confidence in knowing your bills can be paid in full on time and that you can identify where you may be able to reallocate spending to saving. Here's an example:

Mike is a prospective homebuyer who met with a housing counselor to review his budget. Mike realized he was spending almost \$70 each month on a streaming service he didn't watch, mobile apps he didn't use, and random items online he didn't need. Right there, Mike saw where he could make efforts to cut back and save money.

### What if I feel apprehensive or overwhelmed about budgeting?

You're not alone. Finances are challenging for many, but budgeting can actually help you feel more empowered. Maheen Qureshi, Freddie Mac Housing Outreach Manager, advises:

"Think of your 'budget' as your spending plan. It's not a bad word. It's your way to take control of your life and your finances! Developing a budget and sticking to it can be hard. Make it easy for yourself in whichever way works best for you—use a mobile app such as [Mint](#), create a spreadsheet with your budget, use a free resource such as the My Home by Freddie Mac® [monthly budget worksheet](#), or track your expenses in a notebook or your mobile phone Notes app."

## How do I create a budget/spending plan?

As Qureshi referenced, there are many different versions of worksheets and web apps available. CHFA also offers one [found here](#) on our Help for Homebuyers website. Essentially, there are four key sections:

1. **Net income:** List all sources of monthly income. Make sure this is your net (take-home) income versus your gross income.
2. **Monthly expenses:** List all of your fixed and variable expenses. Fixed expenses are those bills that stay the same each month such as a car payment, and variable expenses are those that may vary such as groceries.
3. **Periodic expenses:** List costs that may come up once or twice a year such as auto registration renewal or family events like birthdays.
4. **Comparison:** This is the section where you compare all of your expenses to your income to see where you may have flexibility and any ability to save.

## What other resources are available?

CHFA works with several community partners that may be able to help, such as:

- [CHFA-sponsored homebuyer education providers](#);
- [Freddie Mac CreditSmart®](#);
- [HUD housing counselors](#); and
- [Workforce Boulder County](#)

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## introducing mi hogar<sup>sm</sup>: a new homeownership resource

CHFA is proud to announce the launch of our Spanish-language homeownership microsite, [Mi Hogar<sup>sm</sup>](#)!

This site offers the resources in Spanish, such as information on CHFA loan and down payment assistance programs, homebuyer education, and new Steps to Homeownership videos. Mi Hogar has several online and printable resources available to help prospective homebuyers on their way to successful homeownership.

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