

When do you want to buy? What steps could you take to reach your goal?

SMART is an acronym for goal that is specific, measurable, actionable, realistic and time-bound. When you are clear on how much your goal costs and when you want to reach it, it becomes achievable. You'll understand how to adjust your spending and saving habits to reach your goal of homeownership. Ideally, you want to be realistic, but also challenge yourself with your goal.

Use the table below to turn your dream of homeownership into a SMART goal. Keep in mind that the upfront costs of homeownership include the down payment, closing costs and the costs of settling and moving into your home. On average these costs add up to 15 percent of the purchase price. You will learn more about the upfront and ongoing costs of homeownership later in this section and in the "Obtaining a Mortgage Loan" section.

If you don't know the average purchase price in your area, you can visit [www.trulia.com](http://www.trulia.com), [www.zillow.com](http://www.zillow.com) or [www.realtor.org](http://www.realtor.org) to look up your community's median home price. The median home price is the midway point of the sales prices for all the houses sold over a set period of time. While that number means that homes have been sold below that midpoint, it can be a good figure to use for planning purposes.

SMART	Questions to Make it SMART	Example	Yours
Specific	What? What is the goal for?	Homeownership in Minneapolis	
Measurable	How much? How much do you need to have for it (after subtracting any amount already saved)?	\$25,500 (15% of median purchase price of \$203,330 - \$5,000 already saved)	
Actionable (Measurable divided by Time-bound)	How? How much do you need to save on a monthly basis to get there? (how much/by when)	\$25,500 divided by 36 months = \$708	
Realistic	How so? Is this something achievable, given the existing cash flow, dollar amount needed and deadline desired?	Yes	
Time-bound	By When? When do you want to reach it (in months)?	36 months	

If the amount you need to save on a monthly basis does not seem possible, what can you do differently? Can you find a less expensive house? Can you find a program that lets you make less of a down payment? Can you wait to buy? Can you change your spending and saving habits? This is your goal, and you're in charge of making a plan that works for you. You will learn more about these options in later sections.