



Action Plan:

HOUSING AFTER THE MILITARY

If you plan to move after the military, keep the following in mind when making your housing decisions.

- 1 Cost of living.** A new location may translate into a higher, or lower, cost of living. Check out the areas you're considering at CityRating.com.
- 2 Determine your housing budget.** Calculate how much you can afford to spend on housing after you leave the military. Remember that you'll no longer receive a tax-free housing allowance.
- 3 Decide whether to rent or buy.** If you plan to stay in the house for less than three years, it's usually a good idea to rent. Many people rent when they first move to a new area while they figure out the neighborhoods, schools and cost of living. If you decide to buy, consider whether you'd be likely to rent the house for enough money to cover your mortgage in the event you had to move but could not sell the house. This [buy vs. rent calculator](#) may help.
- 4 Check and improve your credit score.** Whether you are planning to buy or rent, your credit score matters. More and more frequently, property managers check the credit of potential renters before offering a rental agreement. And for homeowners, a good credit score can translate into savings in terms of lower interest rates. A few months before you plan to apply for a mortgage or rental, check your credit report at www.annualcreditreport.com for any errors. Don't open or close any credit cards right before you apply for a mortgage, and keep your card balances low during that time to help improve your credit score and qualify you for a lower rate. If you're still in the military, you may also check with your PFM to access the SaveAndInvest.org [myFICO® tool](#) for your free credit score.
- 5 Compare options when buying a home.** If you decide to buy, compare any VA loan options you have with other mortgages. The VA loan is one of the few loans with a 0 percent down payment, but you need to be careful that you don't end up underwater—owing more than your house is worth—if you do end up having to sell your house in the next few years before you had hand a chance to build much equity. Also compare rates and limits between a VA loan and other loans. See our [How to Shop for a Mortgage Action Plan](#) for more tips.

DIFFICULTY:

EASY

WHAT YOU'LL NEED:

- Calculator
- Your financial statements and records

RELATED RESOURCES:

- Printable Plan (PDF 383 KB)
- Worksheet
- PDF (89 KB)
- Excel (47 KB)

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- 6** **If you have trouble selling your old house.** Consider renting it to cover your mortgage until the market in your area turns around. Also, look for resources and special programs that can help members of the military—and others—who have trouble selling their homes, such as [HAMP®](#), the Home Affordable Modification Program.

Visit [SaveAndInvest.org](#) for more tools and tips about Managing Your Money With Confidence.