

The 3-3-3 Rule: A Smarter Way to Buy Your Next Home

A practical guide for buyers in Lombard, Glen Ellyn, Wheaton, Elmhurst, Naperville and surrounding communities.

Buying a home is one of the biggest financial decisions you will make. The informal **3-3-3 Rule** offers a simple way to protect your finances and compare homes confidently. It is a planning guideline, not a lender requirement.

The three steps: (1) Save three months of essential living expenses; (2) keep another three months of total housing payments in reserve; and (3) compare at least three homes or comparable properties before making an offer.

1 | Three Months of Emergency Savings

Build an emergency fund for groceries, utilities, transportation, insurance and other essentials, separate from your down payment and closing costs. If essential expenses are \$3,500 per month, three months equals **\$10,500**. This buffer can help when income or expenses change unexpectedly.

2 | Three Months of Mortgage Payments

Keep a separate cushion equal to three months of your full housing payment: mortgage principal and interest, property taxes, homeowners insurance and any association dues. For a total payment of \$2,800 per month, that is **\$8,400**. Western suburban buyers should pay particular attention to property taxes and maintenance costs.

3 | Compare Three Homes Before Making an Offer

Compare homes on more than appearance. Consider condition, taxes, location, commute, repairs and resale appeal. Homes in Lombard, Glen Ellyn, Wheaton, Elmhurst and Naperville can vary substantially even at similar asking prices. If a strong listing may sell quickly, reviewing three recent comparable sales can be more practical than waiting to tour three houses.

Why It Matters

The goal is not merely to qualify for a mortgage; it is to own a home comfortably. These steps can help you avoid overstretching your budget and buy with greater confidence. Your ideal reserve amounts depend on your circumstances, so discuss them with your lender or financial adviser.

Ready to Start Your Home Search?

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Call or text: **630-290-7691** • david@davidsegatti.com

Educational information only. The 3-3-3 Rule is not a formal lending standard; mortgage program requirements vary.