

First-Time Home Buyer's Guide

Buying a home involves several key stages, from financial preparation to closing the deal. As a first-time buyer, it is essential to prepare your finances, explore loan options, find a trusted real estate agent, and conduct thorough due diligence before closing.



I. Financial Preparation (Start 6-12 months out)

- **Check Your Credit Score:** A higher score can secure a better interest rate, saving you money over the life of the loan. Most conventional loans require a minimum score of 620, while FHA loans allow scores as low as 580.
- **Save for Down Payment & Closing Costs:** Aim to save for a down payment (typically 3-20% of the home price) and closing costs (usually 2-6% of the loan amount).
- **Create a Budget:** Determine how much you can afford by calculating your debt-to-income (DTI) ratio. Your total monthly housing expenses (principal, interest, taxes, and insurance - PITI) should ideally not exceed 28% of your gross monthly income.
- **Explore Loan Options:** Research different mortgage types, such as conventional, FHA, VA (for military members), and USDA (for rural areas) loans. Look into national and local first-time homebuyer programs or grants that offer down payment and closing cost assistance.

II. Securing Financing and Professional Help

Action	Details	Professional Required
Get Pre-approved for a Mortgage	Pre-approval from a lender provides a clear budget and shows sellers you are a serious buyer. Shop around and compare quotes from several lenders within a 14-day period to find the best rate.	Lender
Find a Real Estate Agent	Look for an agent with experience helping first-time buyers and a strong knowledge of your desired neighborhoods. They will guide you through the process, negotiate offers, and recommend other professionals like home inspectors and appraisers.	Real Estate Agent



III. Finding a Home and Making an Offer

- **Go House Hunting:** Create a list of "must-have" features versus "nice-to-have" amenities to narrow your search. Visit properties in person to assess their condition, location, and potential issues like water damage.
- **Make an Offer:** Work with your agent to determine a competitive offer price based on the local market. Your offer should include the proposed price, desired closing date, and contingencies (e.g., home inspection, appraisal, financing) that protect your interests.



IV. Due Diligence and Closing

The final stages involve critical checks and the signing of necessary documents.

- **Get a Home Inspection:** Hire a professional, licensed inspector to check the home's structural integrity, systems (HVAC, plumbing, electrical), and potential hazards (mold, pests). You can renegotiate the price or request repairs based on the findings.

- **Order a Home Appraisal:** Your lender will order an appraisal to ensure the property's market value matches the purchase price. If it appraises for less, you may need to renegotiate or pay the difference in cash.
- **Secure Homeowners Insurance:** Most lenders require you to have homeowners insurance in place before closing to protect against damages.
- **Conduct a Final Walkthrough:** A day or two before closing, verify the property is in the expected condition and any agreed-upon repairs have been made.
- **Close the Deal:** At the closing (which is often a  Calendar event closing appointment), you will sign all the legal documents, pay your down payment and closing costs, and receive the keys to your new home at  Place the closing attorney's office or title company.



After closing, remember to transfer utilities into your name, change the locks, and set aside a budget for ongoing maintenance and unexpected repairs.