



Buyer Preparation Guide



Buying your first home is an exciting journey, and preparation is the key to success. As you begin, take time to understand your mortgage options—FHA, USDA, VA, and Conventional loans—all offering different benefits based on your financial situation. Think about what matters most: your budget, down payment, closing costs, and getting pre-approved, as well as lifestyle priorities like school zones, commute times, or community feel. This guide will provide you with the keys to getting started but don't hesitate to jot down any questions you have so we can talk them through together.

Your partner in property and possibilities,

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When exploring mortgage options, there are four main types to consider: FHA, USDA, VA, and Conventional loans.

FHA loans are backed by the Federal Housing Administration and are particularly popular among first-time homebuyers. They offer a low down payment, typically as low as 3.5%, and have easier credit qualifications. However, they require mortgage insurance premiums (MIP) for the life of the loan.

USDA loans, backed by the U.S. Department of Agriculture, are designed for buyers looking to purchase a home in rural or some suburban areas. These loans are ideal for individuals with low to moderate incomes and do not require a down payment. They also offer low interest rates but require the property to be in a USDA-approved area and include a small annual fee similar to mortgage insurance.

VA loans, backed by the U.S. Department of Veterans Affairs, are available to active-duty military members, veterans, and eligible surviving spouses. These loans require no down payment and no private mortgage insurance (PMI). They also come with competitive interest rates, limited closing costs, and have flexible credit requirements.

Finally, **Conventional loans** are not backed by any government agency and are suited for buyers with good to excellent credit, stable income, and a decent down payment. They offer various down payment options, typically ranging from 3% to 20%. If you can put down at least 20%, you can avoid mortgage insurance altogether. Conventional loans often provide lower interest rates compared to government-backed loans for those with strong credit, and they offer more flexibility in terms of loan terms and property types.

Each of these mortgage options has its own set of benefits and requirements, so it's important to choose the one that best fits your financial situation and home-buying goals.

Key Considerations

FHA Loan

Lower Down Payment

Credit Flexibility

Mortgage Insurance

USDA Loan

Rural Property

Income Limits

No Down Payment

VA Loan

Military Service

No Down Payment

No PMI (Private Mortgage Insurance)

Conventional Loan

Credit Score

Higher Down Payment

No Government Backing



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Preparing to buy a home is exciting, but being ready is key. Consider your financial situation—down payment, closing costs, and mortgage pre-approval—along with what matters most in a home and neighborhood. Think about your lifestyle, community priorities, and specific needs like school zones or proximity to work. With this preparation, I'll be able to help you find a home that fits both your current needs and future plans.

Financial Preparedness

Down Payment

This typically ranges from **3.5% to 20% of the home's purchase price**.

Do you have enough for a down payment? If not, consider the following:

- **Savings Plan:** Start a dedicated savings plan to build up the required amount.
- **Gifts:** Explore the possibility of receiving gift funds from family or friends.
- **Grants and Assistance Programs:** Research state or federal programs that offer down payment assistance.
- **Loan Options:** Consider loan programs with lower down payment requirements, such as FHA loans.

Closing Costs

Estimate and budget for closing costs, which typically range from **2% to 5% of the home's purchase price**. Do you have enough saved? If not, consider the following:

- **Negotiate Seller Contributions:** Ask the seller to cover some or all of the closing costs as part of the offer.
- **Roll into Loan:** Check if your lender allows you to roll closing costs into your mortgage.
- **Assistance Programs:** Look into local programs that offer help with closing costs.
- **Lender Credits:** Consider higher interest rates in exchange for lender credits towards closing costs, if this fits your financial strategy.

Mortgage Pre-Approval

Secure pre-approval to understand your budget.

Home Insurance

Research and budget for homeowner's insurance.

Property Taxes

Look into the property tax rates and assess how they might change with future development in the area.

Local Considerations

HOA Fees

Neighborhood Restrictions

Natural Disasters

Air and Water Quality

Noise

School Districts

Zoning Laws

Crime Rate

Commute

Future Development Plans

High Property Taxes

Limited Growth Potential

Environmental Hazards

Access to Healthcare

Proximity to Amenities