FIRST-TIME BUYER STARTING GUIDE

A Clear Path to Homeownership

Schedule your 15-minute Homeownership Clarity session HERE

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HOMEOWNERSHIP STARTING POINT

Before deciding if you're ready to buy, it helps to understand where you stand

INCOME STABILITY

Lenders look for steady, predictable income.

- Time on job should be at least 2 years
- Job changes within the same field are usually acceptable

CREDIT POSITION

Your credit score is one part of the picture – not the whole story.

- Some programs allow buyers to qualify with lower credit scores. A lender can help determine what applies to you
- Consistent payment history
- Length of credit history
- Credit mix (credit cards, auto loans, etc.)
- Credit inquiries

DEBT-TO-INCOME

Lenders review how much of your income goes toward existing debt.

- You should aim for under 40% ratio

Many buyers are either closer than they think – or missing just one key piece

WHAT TO SAVE FOR

One of the biggest sources of confusion for first-time buyers is how much money is actually required upfront.
The answer depends on the loan type, your price range, and your financial profile — but here's a general overview.

DOWN PAYMENT

Many buyers assume you need 20% down. That's not always the case

- Some loan programs allow buyers to purchase with as little as 3-5% down
- Down payment assistance programs may be available for qualified buyers
- Zero down loan options are available for qualified buyers OR depending on loan type

CLOSING COSTS

This includes lender fees, title services, etc.

- These often range around 2-5% of the purchase price
- A Real Estate Agent can oftentimes include a percentage of the closing costs to be paid by seller in the offer.

OTHER FEES TO PREPARE FOR

- **Homeowners Insurance** - Can be rolled into your mortgagge payment
- **Property inspection** - know what you are buying - roughly $350-$500 depending on company used.
- **Earnest money** - Earnest money is typically a percentage of the purchase price and shows the seller you are serious about your offer
- **HOA transfer fee** - if buying a home in an association

WHAT PRE-APPROVAL MEANS

Most sellers and agents require a pre-approval before accepting offers, and many prefer buyers to be pre-approved before touring homes

WHAT TO KNOW ABOUT YOUR PRE-APPROVAL

- Pre-qualification and pre-approval are two different things
- Lenders approve based on formulas. You should buy based on your lifestyle. Stay within your comfort level
- Only good for 60-90 days
- Do not open new accounts or add additional debt to credit cards
- The interest rate quoted is not locked in until you are under contract

DOCUMENTS NEEDED

- Paystubs - 30-60 days
- W2 - past two years
- Tax returns - past two years
- Bank statements (checking & savings) - past two months
- Investment/Retirement statements
- Other documents may be required based on your personal situation

TIMELINE OVERVIEW

- Home buying process takes typically 3-6 months from prep to close
- Underwriting timelines vary but often take several weeks

3 QUESTIONS TO ASK YOURSELF

AM I COMFORTABLE WITH THE FULL HOMEOWNERSHIP COST?

- Mortgage
- Property taxes
- Insurance
- Maintenance
- Repairs

IS MY INCOME STABLE & PREDICTABLE?

- Is my income consistent month to month?
- If I'm commission-based, do I have a history of steady earnings?
- If I receive bonuses or overtime, have I earned them consistently for 1–2 years?
- If I'm self-employed, can I show steady income on my tax returns?
- Is there any expected change to my income in the next 6–12 months?

AM I WILLING TO PREPARE INTENTIONALLY?

- Am I willing to delay large purchases while preparing to buy?
- Am I willing to review my spending honestly?
- Am I open to improving my credit if needed?
- Am I willing to gather documents and respond quickly when asked?
- Am I ready to treat this as a financial goal — not just a wish?

READY FOR CLARITY?

Reading this guide gives you general information.

But it *doesn't* tell you:

- Whether you personally qualify
- What your realistic savings target should be
- If your timeline is 3 months — or 12
- What might be holding you back without you realizing it

Most first-time buyers delay getting clarity because they assume they're not ready.

Assumptions keep you stuck.

A 15-minute Homeownership Clarity Session gives you a clear answer — not a guess.

No pressure. No obligation. Just direction.
Clarity first. Decisions second.

Schedule your 15-minute
Homeownership Clarity session here

EMBRACE THE PROCESS

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