A GUIDE FOR FIRST-TIME BUYERS

The First Home Plan

Buying in Greater Sacramento

What it costs, what help exists, and how the process runs from pre-approval to keys.

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BEFORE YOU START

The first real step, *in one place.*

Most first-time buyers I meet have done the math on rent, scrolled listings for a year, and still don't know what the first real step is. This guide is that step.

It covers what buying here actually costs, the help that exists, how an offer works, and what happens each week of escrow. It's written for Sacramento, Placer, and El Dorado counties, because the rules, taxes, and programs are local.

Read it in order or jump to what you need. When you want to talk through your own numbers, the last page has a 15-minute call.

Shawnii

BOOK A 15-MINUTE CALL →

CONTENTS

What's *inside*

01 What it actually costs to buy here
Down payment, closing costs, cash to close

02 Getting loan-ready
Pre-approval, the documents list, credit

03 Help that exists
CalHFA, local programs, seller credits, rate buydowns

04 The search
Needs, wants, and the tradeoffs this region asks you to make

05 Writing an offer that works
Every term in a California offer

06 Escrow, week by week
Why day 17 matters

07 After you get the keys
Three property tax items to know

08 Your next step
A 15-minute call

The path, start to keys



Pre-approval
About a week

Search
Weeks to months

Offer
A few days

Escrow
About 30 days

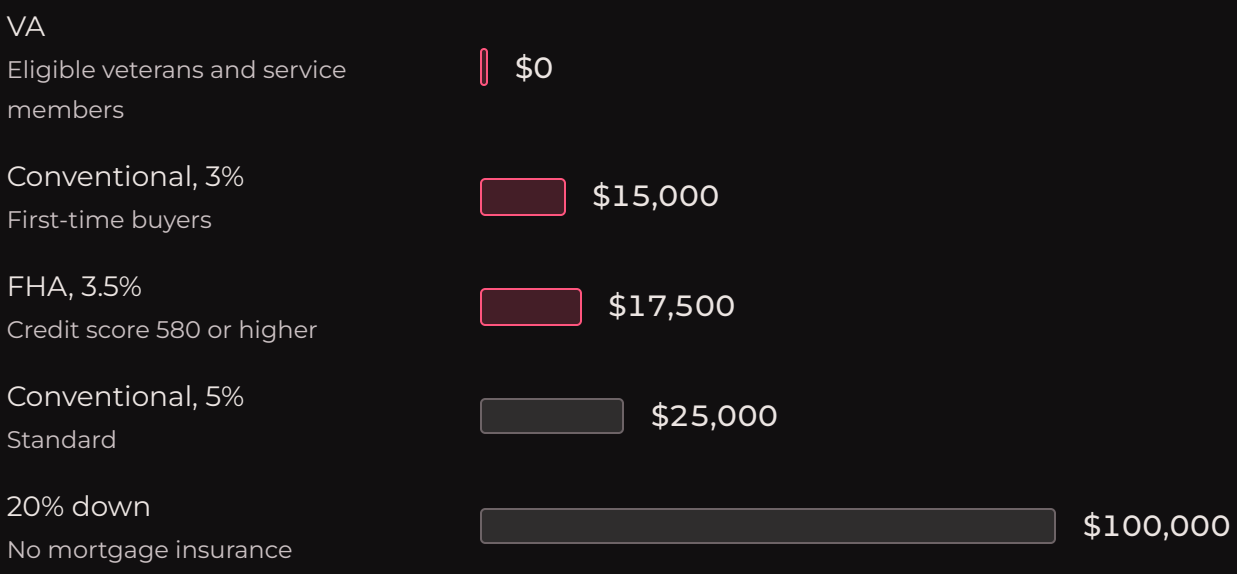
Keys
When the deed records

01

What it actually costs *to buy here*

You need less than 20% down. The number that decides whether you can buy is cash to close: down payment plus closing costs, minus any credit the seller gives you.

Down payment on a $500,000 home



Under 20% down, you pay mortgage insurance each month. It's a cost, not a reason to wait: on a conventional loan it comes off once you reach enough equity.

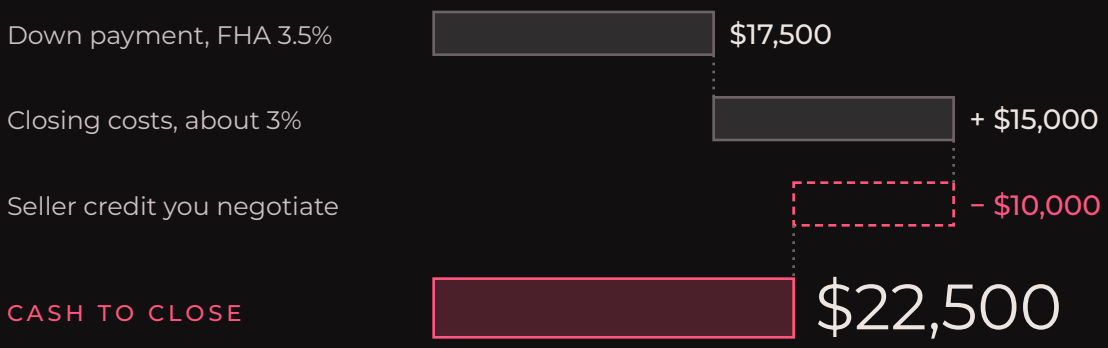
01 · WHAT IT ACTUALLY COSTS

Closing costs

Plan on roughly 2% to 4% of the price, about $10,000 to $20,000 on a $500,000 home. It covers lender fees and the appraisal, your share of escrow, the lender's title policy and recording, prepaid interest, your first year of homeowner's insurance, and a few months of taxes and insurance set aside in your loan account.

By local custom in Sacramento County, the seller usually pays the transfer tax and the owner's title policy, and escrow fees are often split. Custom varies by county, and every cost is negotiable.

Cash to close, on one page



Your earnest money deposit counts toward this total. These are examples; your lender's Loan Estimate gives your real numbers.

02

Getting *loan-ready*

Get pre-approved before you tour. It tells you your real price range, and sellers take an offer more seriously when a lender has already reviewed your documents.

Pre-qualification is a conversation: you share your income and debts, and a lender estimates what you could borrow. **Pre-approval** means the lender has pulled your credit and reviewed your documents. Only the second carries weight with a seller.

The documents list

- ☐ Photo ID
- ☐ Pay stubs covering the last 30 days
- ☐ W-2s for the last two years
- ☐ Bank and investment statements for the last two months, every page
- ☐ Tax returns for the last two years if you're self-employed, earn commission, or own rentals
- ☐ A short letter explaining any large deposit that isn't a paycheck
- ☐ A gift letter if family is helping with the down payment

Having these in one folder before you call a lender can turn a two-week pre-approval into a two-day one.

02 · GETTING LOAN-READY

Credit, from now until closing

- Pay every bill on time and keep card balances low.
- Don't open new credit, finance furniture, or co-sign anything.
- Don't change jobs or move large sums between accounts without asking your lender first.
- Comparing lenders is fine. Mortgage credit checks within a short window generally count as one inquiry.

> **Why a local lender.** A lender who closes loans in Sacramento every week knows the appraisers, answers the listing agent's call the same day, and closes on time. In a close call between two offers, that phone call can decide it. I can introduce you to the lenders I trust.

03
Help *that exists*

Most first-time buyers qualify for more help than they expect, and it comes from three places: the state, the seller, and the lender.

THE STATE

Up to 3.5%

CalHFA help toward your down payment or closing costs

THE SELLER

Credits

Money toward closing costs or a lower rate, written into your offer

THE LENDER

Buydowns

A lower rate for the first years, or for the life of the loan

From the state: CalHFA

PROGRAM	WHAT IT DOES	WORTH KNOWING
MyHome Assistance	A second loan of up to 3.5% of the price (FHA) or 3% (conventional) toward down payment or closing costs	No monthly payment; repaid when you sell, refinance, or pay off the first loan
Zero Interest Program	Help with closing costs alongside a CalHFA first loan	Often paired with MyHome
Dream For All	Up to 20% of the price, capped at $150,000, for first-time, first-generation buyers	Awarded by lottery in funding rounds. Repaid with a share of the home's appreciation when you sell or refinance

Most CalHFA programs require a homebuyer education course. Taking it early costs nothing and keeps you ready if a new Dream For All round opens.

03 · HELP THAT EXISTS

From the county and cities

Local programs open and close as funding comes and goes. The Sacramento Housing and Redevelopment Agency runs the Mortgage Credit Certificate program and has funded city programs such as Citrus Heights' first-time buyer loans. Roseville and Folsom have run their own at times. Your lender can tell you which are funded the month you buy.

From the seller

With fewer buyers in the market, sellers are contributing more to help buyers close the gap, because people still have to move. A seller credit can cover closing costs or buy down your interest rate, and it's often worth more to you than the same amount off the price.

From the lender

Rate buydowns and lender incentives still exist. A temporary buydown lowers your rate for the first year or two; a permanent buydown lowers it for the life of the loan. The lenders I work with are creative here.

Every program has income limits and its own rules. A lender confirms what you qualify for.

03 · HELP THAT EXISTS

Rate buydowns, *explained*

A buydown means money is paid up front so your interest rate is lower. Usually the seller pays it, through a credit in your offer. There are two kinds.

Temporary: the 2-1 buydown

Your rate starts 2% lower in year one, 1% lower in year two, then settles at your loan's rate for the remaining years. The cost is paid at closing and held in an account that covers the difference each month.

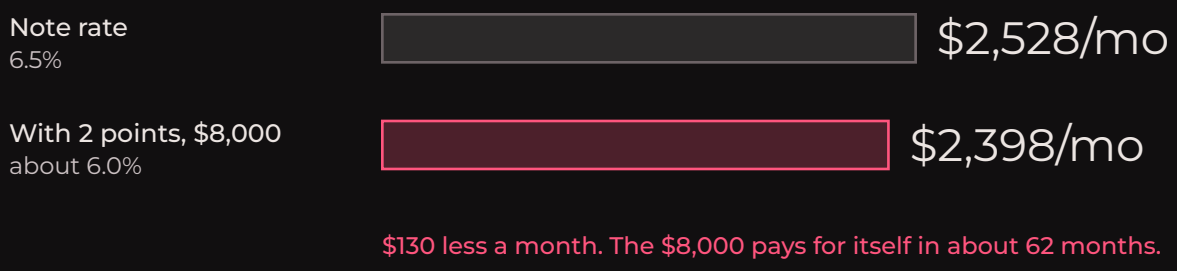


What it costs: about $9,100 in this example, which a seller credit can often cover in full. Your lender qualifies you at the full rate, so you never depend on the lower payment to afford the home. If rates fall, you can refinance later.

03 · HELP THAT EXISTS

Permanent: buying points

Each point costs 1% of the loan amount and lowers your rate for the life of the loan. How much a point lowers the rate changes daily and by lender.



$130 less a month. The $8,000 pays for itself in about 62 months.

Which one fits

Temporary 2-1

Lowest payment right away. Good when you want breathing room in the first two years, or expect to refinance if rates fall.

Permanent points

Lower payment for good. Good when you plan to keep the loan past the break-even point.

Example only: $400,000 loan, 30-year fixed, principal and interest. Taxes and insurance are extra. Rates and point pricing change daily. Ask your lender to quote both options side by side.

04
The *search*

The best searches start with a short list of things you won't compromise on and a longer list you're willing to trade.

Needs vs. wants

Write down three needs (bedrooms, commute, budget ceiling) and everything else as wants. When two homes compete, the needs decide and the wants break the tie. If you're buying with someone, each of you writes a list first, then compare.

The tradeoffs Greater Sacramento asks you to make

IF YOU WANT	YOU'LL LIKELY TRADE	CHECK BEFORE YOU OFFER
An older home close in: East Sac, Land Park, Curtis Park, Tahoe Park	Size and newer systems	Sewer line, electrical panel, plumbing, foundation
A newer home in a planned community: Natomas, Elk Grove, Roseville, Rancho Cordova	Commute and lot size	Special taxes (Mello-Roos) and HOA dues
A condo or townhome	Space and control over the building	HOA dues, reserves, rental and pet rules
Room and land in the foothills	Drive time	Wildfire insurance availability and cost

In low-lying areas near the rivers, also check the flood zone and what insurance it requires.

04 · THE SEARCH

Touring

- Look past the paint. Note the age of the roof, water heater, and heating and air.
- Look down: slab or foundation cracks, stains under sinks, grading that slopes toward the house.
- Look up: ceiling stains and the condition of the eaves.
- Ask for the seller's disclosures early on any home you're serious about.
- Drive the commute at the hour you'd actually make it.

05
Writing an offer *that works*

A strong offer is the one a seller can trust to close, and price is only one part of that.

In California, you and your agent sign a written buyer representation agreement before touring together. It spells out what your agent does and how they're paid. Compensation is negotiable, and your offer can ask the seller to pay some or all of it.

What goes into a California offer

TERM	WHAT IT MEANS	TYPICAL STARTING POINT
Price	What you'll pay	Recent sales of similar homes, not the list price
Earnest money deposit	Shows you're serious; held in escrow	Due within 3 business days of acceptance
Loan and down payment	Your loan type and how much you're putting down	Matches your pre-approval
Seller credit	Money toward your closing costs or a rate buydown	Asked for in the offer, not later
Loan contingency	Lets you cancel if your loan isn't approved	17 days
Appraisal contingency	Protects you if the home appraises low	17 days
Investigation contingency	Time for inspections and disclosures	17 days
Close of escrow	When the home becomes yours	Often about 30 days

05 · WRITING AN OFFER

Stronger without raising the price

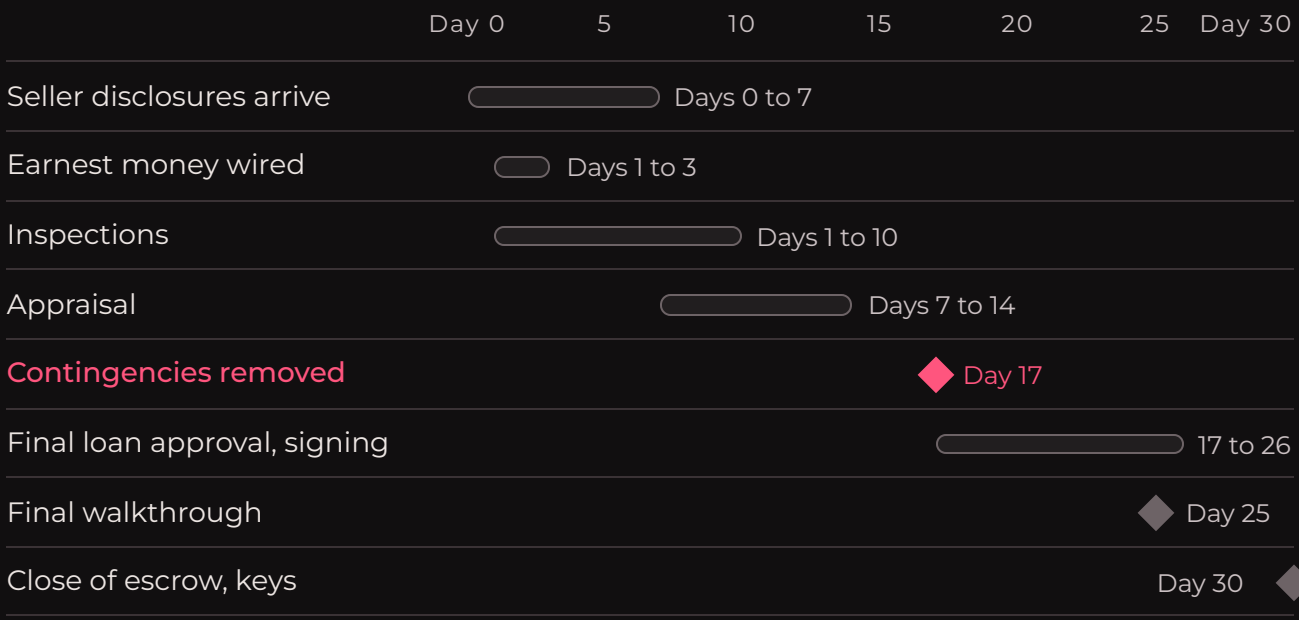
- A full pre-approval from a local lender, attached
- Disclosures already reviewed, so your timelines can be realistic and firm
- A closing date that fits the seller's move
- A clean, complete package with nothing for the listing agent to chase

Most offers get a counter. Each counter replaces the last, and nothing is final until the last version is signed and delivered.

06

Escrow, *week by week*

Escrow is the 30 or so days between an accepted offer and your keys, and almost all of your protection lives in the first 17.



Based on the standard California purchase agreement timelines.

Until day 17, you can cancel for a failed inspection, a low appraisal, or a loan that doesn't come through, and keep your deposit. After you remove contingencies, your deposit is at risk if you back out.

06 · ESCROW, WEEK BY WEEK

Week 1

Wire your deposit, schedule inspections, and send your lender every document they ask for the same day. Read the seller's disclosures as they arrive.

Weeks 2 and 3

Inspection results come in, and we decide together whether to ask for repairs or a credit. The appraisal happens. By day 17, you either remove contingencies or we negotiate more time.

Week 4

Your loan gets final approval, you sign with escrow, and you do a final walkthrough about five days before closing. The home is yours when the deed records.

> **Wire fraud warning.** Before you wire any money, call your escrow officer at a phone number you already have, never one from an email. Escrow will not change its wiring instructions by email.

07
After you *get the keys*

Three property tax items shape your first year of ownership: one bill to save for, one form to send back, and one rate to understand.



1	2	3	4	5
Closing	**Exemption form**	**Supplemental bill**	**Nov 1**	**Feb 1**
You own it	Arrives by mail. Send it back	A few months in. Save for it	First installment due	Second installment due

The supplemental tax bill

California reassesses a home when it sells, and the county bills the difference for the rest of the tax year. It usually arrives a few months after closing and often isn't paid from your loan account, so set money aside for it.

The homeowners' exemption

Filing it with your county assessor takes $7,000 off your home's assessed value every year you live there. The form usually arrives by mail after closing. Send it back.

Your property tax rate

Your base tax is about 1% of the purchase price, plus local assessments, and the base can only rise by a small, capped amount each year.

07 · AFTER YOU GET THE KEYS

Keep these in one folder

- Your final settlement statement (I'll send you a copy each year before tax season)
- Receipts for improvements, which matter when you sell someday
- Your deed, title policy, warranties, and appliance manuals

First-month checklist

- Change or rekey the locks.
- Find the water shutoff, the electrical panel, and the gas shutoff.
- Test the smoke and carbon monoxide alarms.
- Ask your tax preparer what you can deduct for the year you bought.

08

Your *next step*

The fastest way to turn this guide into a plan is a 15-minute call. We'll look at your timing, your price range, and which help you're likely to qualify for. Then I'll connect you with a lender for a real pre-approval.

No pressure, and no commitment.

BOOK A 15-MINUTE CALL →

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Equal Housing Opportunity. Program details, income limits, and availability change and are confirmed by your lender. This guide is general information, not legal, tax, or lending advice. Program sources: CalHFA (calhfa.ca.gov), Sacramento Housing and Redevelopment Agency (shra.org). Contract timelines: C.A.R. Residential Purchase Agreement. Information current as of November 2026.