



HOME & KEY

THE BUYER'S EDITION

The Complete Guide to Buying a Home

Your Road Map Home

Buying a home is one of the biggest financial decisions you'll ever make — and also one of the most rewarding. This guide walks you through every stage of the journey, from your first savings goal to the moment you get your keys. Along the way, we've added a few things most home-buying guides leave out: the real difference between a real estate agent and a Realtor®, why interviewing your agent matters as much as interviewing your lender, and why the "click and connect" agent you find on Zillow may not be the negotiator you actually need in your corner.

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“The best home purchase isn't just the one with the nicest kitchen — it's the one you were fully prepared, well-represented, and confident to make.”

STEP 1 • MONEY MATTERS

Start Your Financial Preparation

Before you fall in love with a listing photo, get your finances in order. Lenders, sellers, and your own peace of mind all depend on it.



Down Payment

Your down payment is a large, one-time payment toward the purchase of your home. Many buyers overestimate how much they actually need. While 20% down remains the classic benchmark (and helps you avoid private mortgage insurance), it isn't a requirement. Conventional loans can go as low as 3% down, FHA loans allow 3.5%, and VA or USDA loans may allow qualified borrowers to put 0% down.

A larger down payment typically means more loan options, a smaller monthly payment, and a lower interest rate. Be sure to weigh the trade-offs with your lender.

Closing Costs

Budget an additional 2%–5% of the home purchase price for closing costs. These are the fees required to finalize your loan, including appraisal fees, title insurance, and any government-backed loan premiums. On a \$500,000 home, that's roughly \$10,000–\$25,000. Your lender will provide a Closing Disclosure listing every fee before you sign.

✦ PAGE HIGHLIGHTS

- » Save 2–5% of the purchase price for closing costs, starting at least 6 months out.
- » You do NOT need 20% down — conventional loans allow as little as 3%.
- » 20% down eliminates private mortgage insurance (PMI) on conventional loans.

Credit, Income & Your DTI

Your down payment is only part of the picture. Lenders also want to see a stable income and a healthy debt profile before they can approve you for a home loan.

Income & Employment

Lenders typically want to see about two years of steady work history. W-2 employees can generally provide recent pay stubs; self-employed buyers should be ready to submit tax returns and additional documentation.

Debt-to-Income Ratio (DTI)

DTI is calculated by dividing your total monthly debt payments by your gross monthly income. If your monthly debts total \$2,000 and your gross income is \$6,000, your DTI is 33%. Most lenders want to see 50% or less to qualify, though the exact threshold varies by lender and loan type.

Credit Health

Your credit score drives which loans and which interest rates you'll qualify for. It reflects your payment history, amounts owed, length of credit history, credit mix, and recent credit inquiries. Most lenders require a minimum score of around 620, while a score above 720 typically unlocks the best terms available. If your credit is below 620, don't let it deter you. Work with a lender and realtor who can draw you up a plan.

Avoid taking out new loans, large or small, until after your purchase closes as new debt can quietly shift your DTI and your credit score.

❖ PAGE HIGHLIGHTS

- » Lenders want ~2 years of stable income history; pay stubs, W-2s, or tax returns.
- » Aim for a DTI of 50% or less; lower is stronger.
- » A credit score above 720 generally unlocks the best loan terms.

STEP 2 • 4–5 MONTHS OUT

Get to Know Your Market



Start browsing listings online and attending open houses to sharpen your sense of what you want and what things cost in your target area. Build a prioritized list of must-haves: price, square footage, condition, commute, schools, taxes, and lifestyle features like a yard or walkability.

This is also the moment to start assembling your team, beginning with a real estate professional who can guide you through the search, the negotiation, and everything in between. But before you sign with the first friendly face who messages you back, it's worth understanding exactly who you're hiring.

What to Rank on Your Wish List

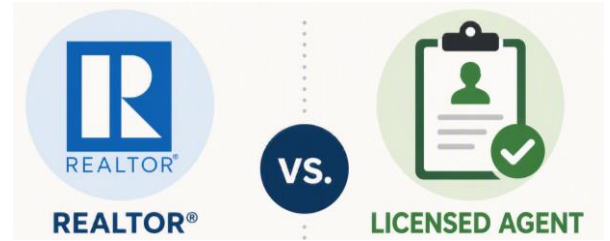
- Price and property taxes
- Square footage and layout
- Home condition and likely repair needs
- Commute and access to public transportation
- School district ranking
- Yard, pool, or outdoor space
- Local entertainment and lifestyle fit
- Historical property value trends

✦ PAGE HIGHLIGHTS

- » Rank your must-haves before you start touring — it keeps your search focused.
- » Watch your spending now — new debt can affect your pre-approval later.
- » This is the right time to start interviewing real estate professionals (see next page).

FEATURE

Real Estate Agent vs Realtor® What's the Difference?



The terms get used interchangeably in casual conversation, but they aren't the same thing — and the distinction is worth knowing before you hire anyone.

Real Estate Agent

A real estate agent is anyone who has completed their state's required coursework, passed the licensing exam, and holds an active real estate license. This license allows them to legally represent buyers and sellers in a transaction. Every Realtor® is a real estate agent but not every real estate agent is a Realtor®.

Realtor®

Realtor® is a trademarked title reserved for licensed agents who are also members of the National Association of Realtors (NAR). Membership requires agreeing to a formal Code of Ethics that goes beyond baseline state licensing law, covering standards of honesty, fair dealing, and professional conduct toward clients, the public, and other Realtors®. The association and members are advocates for homeownership rights and those looking to become homeowners.

Why the Distinction Matters to You

Knowing the difference helps you ask sharper questions when you're choosing who represents you.

✦ PAGE HIGHLIGHTS

- » All Realtors® are licensed agents — not all licensed agents are Realtors®.
- » Realtor® membership requires agreeing to NAR's Code of Ethics.
- » The title tells you about credentials — it doesn't replace doing your own vetting.

Why You Should Interview Your Realtor



Buyers spend weeks comparing lenders, loan types, and interest rates, then hire the first Realtor who responds to a listing inquiry. You're not buying a pair of pants at a retail store; your Realtor deserves at least as much scrutiny as your mortgage.

What an Interview Actually Reveals

A short conversation, whether by phone or in person, tells you far more than a listing site bio ever will. Beyond how many years they've been a Realtor, you will learn how well this person listens, how clearly, they explain the process, how they've handled tough negotiations before, and whether their communication style matches what you need.

Questions Worth Asking

- How many buyers have you represented?
- What can I expect when negotiating on a multiple offer situation?
- How often do you communicate with clients during a search?
- What support can I expect after an offer has been accepted?
- How do you communicate inspection results and negotiations?

A Realtor® who can't clearly explain their negotiation strategy in the interview is unlikely to execute one skillfully at the closing table.

✦ PAGE HIGHLIGHTS

- » Treat the agent interview with the same seriousness as choosing a lender.
- » Ask about recent negotiations, communication style, and references.
- » A mismatch in expectations now becomes friction later — surface it early.

The Zillow Trap: Why a Great Listing Site Isn't a Great Negotiator



How the Lead System Actually Works

Agents who leverage lead systems like Zillow, Realtor.com, Redfin, and similar are optimized for volume, fast responses, and high lead-conversion rates and rely on the system algorithm to give them higher valued leads. I understand this doesn't inherently make them "bad" agents; what it does unfortunately do, is shift focus away from the client relationship and more on a queue of leads.

Relationships Are the Job

Strong negotiation on your behalf depends on an agent who is genuinely invested in your outcome. Your Realtor® should be willing to put in the time to understand your priorities, your walk-away points, and your budget in detail, and to build a real working relationship with you rather than processing you as one lead among dozens.

A Better Approach

Zillow, Realtor.com, Redfin, and similar sites are excellent tools for browsing homes and getting a feel for the market. When it's time to choose who represents you, start with friends, family, or colleagues who've recently bought in the area. If that's not an option, INTERVIEW multiple Realtors after compiling a list from online research. Then pick the Realtor who demonstrates preparation and genuine curiosity about your situation, not just the fastest reply.

✦ PAGE HIGHLIGHTS

- » Fast responses on listing sites often reflect ad spend, not negotiation skill.
- » Strong representation requires a Realtor® invested in a real relationship with you.
- » Use listing sites to browse homes use referrals and interviews to choose your Realtor®

Get Pre-Approved and Start Searching



Choose a lender or mortgage broker and get pre-approved before you start making offers. Sellers take pre-approved buyers seriously. You'll need bank statements, pay stubs, and tax returns; most pre-approval letters are valid for 60 to 90 days.

Loan Type	Min. Down Payment	Best For
Conventional	As low as 3%	Buyers with solid credit
FHA	3.5%	First-time buyers, flexible credit
VA	0%	Veterans & active-duty service members
USDA	0%	Eligible rural & suburban buyers

Once pre-approved, set up saved searches so new listings that match your criteria reach you immediately, and share your ranked priority list with your Realtor® so they can filter effectively on your behalf. Expect the search itself to take time — don't get discouraged if the right home doesn't appear right away.

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PAGE HIGHLIGHTS

»

Get pre-approved before house hunting — letters are typically valid 60–90 days.

»

Compare conventional, FHA, VA, and USDA loans with your lender.

»

Set up automated saved searches so new listings reach you first.

STEP 4 • 1–2 MONTHS OUT

Make an Offer



Once you've found the home, your Realtor® will help you draft a written offer letter that includes your identifying details, your proposed price, and a deadline for the seller's response. Most offers also include an earnest money deposit — typically 1%–2% of the purchase price — which is applied toward your down payment and closing costs if the sale goes through.

The Seller Has Three Options

- Accept: You move straight to inspection and appraisal.
- Reject: You can submit a new offer or move on to another home.
- Counteroffer: The seller proposes different price or terms, and negotiation continues.

This is precisely the stage where the value of a well-chosen, well-prepared Realtor® becomes most visible as a skilled negotiator who understands your priorities can be the difference between losing a bidding war and winning one on terms you're comfortable with.

✦ PAGE HIGHLIGHTS

- » Earnest money (1–2% of price) signals seriousness and applies toward your costs.
- » Sellers can accept, reject, or counter; negotiations can continue for a while.
- » This is where a strong agent relationship pays off most directly.

STEP 5 • UNDER A MONTH

Complete Escrow-Related Tasks



During the typical 30–45 day escrow period, your lender's underwriters work through a checklist that usually includes a home inspection, an appraisal, and requests for additional documentation. FHA and VA loans can require extra paperwork and may take longer.

Home Inspection

An inspector reviews the home's electrical, roofing, appliances, and structural systems and delivers a report of any issues. Review it with your Realtor and flag serious health hazards like mold or lead paint for the seller to address.

Home Appraisal

Lenders require an appraisal to confirm that the home is worth what you've agreed to pay. They can't lend more than the appraised value. An appraisal contingency protects your earnest money if the home appraises below your offer price. Keep this in mind when overbidding on multiple offers.

Wrapping Up

Use this window to schedule your movers, shop for homeowners insurance, file your change-of-address, and stay closely looped in with your lender, escrow officer, and Realtor®.

✦ PAGE HIGHLIGHTS

- » Inspection and appraisal contingencies protect your earnest money deposit.
- » Flag major health or structural issues for the seller before closing.
- » Use this window to line up movers, insurance, and your change of address.

STEP 6 • CLOSING WEEK

Close on Your New Home



A few days before closing, walk through the home one final time. Confirm that any requested repairs were completed, check that the seller has removed their belongings, and make sure the home systems are in working order.

From there, you'll head to the title company to sign your closing paperwork, a process that can take a few hours depending on the complexity of the deal. Once the paperwork is signed, the home is officially yours.

Your Complete Timeline at a Glance

- 4–5 months out: Start browsing, define priorities, hire a Realtor®, watch your credit
- 2–3 months out: Get pre-approved, save searches, begin showings
- 1–2 months out: Find the home, make an offer, sign the contract
- Under a month: Inspection, shop for insurance
- Closing week: Final walk-through, sign paperwork, get your keys

Congratulations — you're officially a homeowner. Welcome home.

✦ PAGE HIGHLIGHTS

- » Do a final walk-through before signing to confirm repairs and condition.
- » Closing paperwork is signed at the title company; bring ID and be ready to sign.
- » Once signed, the keys are yours!