



Your Home Buyer's Guide

Buying a home, especially your first, is both exhilarating and daunting. All the steps and details can be overwhelming. Here's our step-by-step guide to purchasing your dream house.





Getting Your Finances Ready

Live within your means and save, save, save. Bank the equivalent of three to six months living expenses for emergencies, then save up a 20 percent down payment.

BUDGET BEFORE YOU BUY

Pay bills on time. Pay off debt, including monthly credit card balances, and avoid taking on new debt.

GET CREDIT READY

Insurance, homeowner association dues and regular maintenance will be part of your monthly budget as a homeowner.

CONSIDER FUTURE COSTS

Research home prices online, then use an online mortgage calculator to figure your monthly payment. Mortgage lenders want your monthly payment to be no more than 30 percent of your income and your total debt including the mortgage to be no more than 36 percent of your income.

FIGURE OUT WHAT YOU CAN AFFORD

You need a score of at least 620 to qualify for a conventional mortgage. A score over 760 will earn you the best rates.

CHECK YOUR FICO SCORE

Ask friends and family for referrals and read online reviews. Contact several lenders about rates and terms, then apply for preapproval (not prequalification) with the one you like best.

CHOOSE A MORTGAGE COMPANY

Let's Go House Shopping!

Make a list of what you're looking for in a neighborhood and a home.

DECIDE WHAT YOU NEED AND WANT

Get referrals for REALTORS® who have experience with the neighborhoods that interest you.

PARTNER WITH A REALTOR®



Stick with houses that fit your budget.

TOUR HOMES WITH YOUR REALTOR®

Offer a reasonable price and terms that will win you the deal.

MAKE AN OFFER

Sealing the Deal



Supply the necessary documents and respond promptly to your lender's follow-up requests.

START A MORTGAGE APPLICATION

Consider the needed repairs the inspection finds, then negotiate for price concessions. Ask the seller to make the repairs or, if the problems are significant, terminate the deal.

ORDER A PROFESSIONAL INSPECTION

If the appraisal is lower than the sales price, prepare to renegotiate the deal.

RESPOND PROMPTLY TO YOUR MORTGAGE COMPANY'S APPRAISAL

Send proof of insurance to your mortgage company.

SECURE HOMEOWNERS INSURANCE

Know the HOA rules you'll have to comply with going in.

REVIEW HOMEOWNERS ASSOCIATION BYLAWS

Ask a real estate attorney to explain anything you don't understand.

REVIEW CLOSING DOCUMENTS