

# First-Time Homebuyer Guide

## Steps to Buying Your First Home, From Financing to Closing

**T**hinking about buying your first home? Here is a quick guide for first-time homebuyers, covering everything from financing options to closing the deal.

### ASSESSING YOUR FINANCES

Before you start house hunting, it's crucial to understand your financial situation. Calculate your budget by considering your income, debts and savings. Ideally, aim to have a down payment of at least 20 percent of the home's price to avoid private mortgage insurance (PMI). Check your credit score and work on improving it if necessary, as a higher score can secure you better mortgage rates.

### GETTING PRE-APPROVED FOR A MORTGAGE

A mortgage pre-approval gives you a clear picture of how much you can afford to borrow and shows sellers that you are a serious buyer.

To get pre-approved, you'll need to provide financial documents, including tax returns, pay stubs and bank statements. Shop around for lenders to find the best rates and terms.



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### FINDING THE RIGHT REAL ESTATE AGENT

A knowledgeable real estate agent can guide you through the buying process and help you find homes that meet your criteria.

Look for an agent with experience in your desired area and a strong track record

of successful transactions. Ask for recommendations from friends and family or read online reviews.

### HOUSE HUNTING

Make a list of must-haves and nice-to-haves for your new home. Consider factors such as location, size, number

of bedrooms and proximity to schools and work.

Attend open houses and schedule private showings to explore different properties. Don't rush the process; finding the right home takes time.

### MAKING AN OFFER

Once you've found a home

you love, work with your real estate agent to make a competitive offer. Your agent will help you determine a fair price based on comparable properties in the area.

Be prepared to negotiate with the seller, and don't be discouraged if your first offer isn't accepted.

### HOME INSPECTION AND APPRAISAL

After your offer is accepted, schedule a home inspection to check for any potential issues with the property.

If the inspection reveals significant problems, you may need to negotiate repairs or adjust your offer. Your lender will also require an appraisal to ensure the home's value matches the loan amount.

### CLOSING THE DEAL

The closing process involves finalizing your mortgage, signing paperwork and paying closing costs.

Before closing day, review all documents carefully and ask questions if anything is unclear.

On closing day, you'll sign the final paperwork, pay your down payment and closing costs, and receive the keys to your new home.



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### REAL ESTATE 101



### HOMESWISE GLOSSARY

#### The Role of a Real Estate Agent

A real estate agent can guide you through the buying or selling process, negotiate on your behalf, and provide valuable market insights. Choose an agent with a strong track record and local expertise to ensure a smooth and successful transaction.

**Title Insurance:** Title insurance is a policy that protects lenders and homebuyers from financial losses related to defects in a property's title, such as liens, encumbrances or ownership disputes. There are two types of title insurance: lender's title insurance, which protects the lender, and owner's title insurance, which protects the buyer. This insurance is typically purchased during the closing process.

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