

How to Prepare to Buy your first Home?

Buying your first home is exciting and overwhelming all at once. Before you get in over your head, use these simple tips to best prepare you for one of the largest investments you'll make in your lifetime.

Save for a Down Payment

The earlier you can save for a down payment the better. While you don't need 20% down to buy a home, the more money you invest, the easier it is to get financing. Plus, you'll keep your mortgage payment down which not only helps you qualify for a loan but helps keep your payment affordable for the next 15 to 30 years.

Check your Credit

Your credit score is one of the most important factors in your application. It's what lenders look at first and if it's not high enough, they won't approve your loan.

Everyone gets free access to their credit report weekly at www.annualcreditreport.com. Check all three credit reports and see what you need to fix. Look for:

- Late payments
- Credit utilization over 30% of your credit limit
- Collections
- Errors

Fix any issues you can and maximize your credit score. If you want to see your actual score, check with your credit card companies or bank – they may offer free access to your score too.

Get Pre-Approved

Before you shop for a home, get pre-approved. Even if you think you have 'great' credit and good income, find out what a lender thinks first. We recommend getting quotes from at least 3 lenders so you can compare your options side-by-side.

You may find you get approved for more or less than you thought you could afford. A pre-approval letter also helps get your foot in the door with sellers. Many sellers won't show their homes or entertain offers from buyers without a pre-approval.

Stick to your Budget

It's tempting to go 'slightly' over your budget especially when you see it only makes a difference of a few dollars in your mortgage payment, but it's a bad idea. Don't get caught up in a bidding war or get so emotionally attached to a home that you outbid yourself. Stick to your budget and know that the right home will come along.

Exhaust all First-Time Homebuyer Assistance Programs

As a first-time homebuyer, you have many options for assistance. Talk with your lender and myself to find out what programs are available to you. From low and no down payment loan programs to down payment grants, there are programs for borrowers of all walks of life.

Bottom Line

First-time homebuyers have plenty of opportunity to secure a home. Even if you don't have a 20% down payment or perfect credit, there are options available for you. The key is to maximize your qualifying factors as early as possible so you increase your chances of securing your dream home.

I'm always available for questions or help – together we can help you prepare for and buy your first home, making it a stress-free and fun process!