

FIRST-TIME HOMEBUYER TIPS

dear first-time homebuyer,

In preparation for our meeting, I have put together a few tips you might want to review before searching for your next home! I am so grateful that you chose me to be your partner in guiding you through the home buying process! Please rest assured that I will do everything possible to assist you in this journey.

01 | Apply for a mortgage

When the real estate market is a seller's one, it means you will likely be dealing with competition when putting an offer on a home. Therefore, before shopping and falling in love with a home, make sure to get a mortgage pre-approval by a lender to ensure you can afford a home you love and know the price range at which you should be looking.



05 | Overbudgeting is best

When calculating the costs of what homeownership could entail, make sure to add hidden costs of owning a home. On top of paying your mortgage, you will have to consider budgeting for additional expenses, including property taxes, mortgage insurance, homeowners insurance, repairs, maintenance, utilities, and more. Therefore, it's always best to overbudget for unexpected costs to ensure you can afford and are comfortable paying for everything that homeownership demands when budgeting as first-time homebuyers.



02 | Talk to more than one lender

The more buyers shop around for mortgages, the better deal they will be able to find, possibly saving them hundreds or thousands of dollars. We suggest you shop around with at least three different lenders or consult with a mortgage broker who can do the research for you and find you the best terms. Once you gather rates, terms, and fees, compare what each lender can offer you and decide based on this data.

03 | Avoid over-stretching your budget

When you find a house you absolutely love, it can sometimes come at a price tag over what you had budgeted. If this happens, when deciding whether to stretch your budget for your dream home, be careful not to over-stretch it. Doing so may put you at a higher risk of foreclosure, and you could have less room in your monthly budget to pay for utilities and other expenses.

04 | Take care of your credit

When going through the process of obtaining a mortgage, it's essential to maximize your credit score and avoid using credit at all costs (including taking out a new car loan, furniture loan, etc.). Any new loans or credit card accounts on your credit report can negatively impact your credit score and jeopardize your final mortgage approval. Therefore, until after you close on a property, take care of your credit score to make closing day and your first-time buying process run smoothly!

06 | Don't assume you need at least a 20% downpayment to buy a home

While having at least a 20% downpayment is favorable as it helps you avoid paying mortgage insurance, many buyers do not have the funds (or even do not want) to put such an amount towards a home downpayment. If this is your case, you don't have to delay a home purchase to save up this 20% downpayment but can instead seek out other mortgage options where you may be able to put as little as 3%-5% down towards your new home with government or locally-insured loans. Do keep in mind that you may be required to pay a larger downpayment if purchasing in a community like condos and HOAs.



07 | Prioritize neighborhood over house

Although you should aim to find a home that checks off features you want and need in a home, being too focused on finding a home that meets all your wants and needs may cause you to overlook the property's location. Once you purchase a home, you will have to live with the neighborhood where it's located, so make sure you choose an area where the community culture matches yours. If you're unfamiliar with the neighborhood, don't worry, as we would love to help guide and inform you based on safety and school statistics and rankings.



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