# THE FIRST-TIME HOMEBUYER GUIDE

*A clear path from “Where do I start?” to closing day*

**Presented by Jerry Volk**

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# Being new does not mean being unprepared

A first home purchase comes with new terms, deadlines, and decisions. The goal is not to memorize the mortgage business. The goal is to understand the choices that affect your money and know what happens next.

## What “first-time buyer” can mean

The definition can vary by program. Some programs treat a person as a first-time buyer when they have not owned a principal residence during a specified lookback period. Always verify the definition for the exact loan or assistance program.

## Your first three decisions

- Choose a comfortable total monthly housing payment.
- Decide how much cash you can use while preserving an emergency cushion.
- Build a team: mortgage professional, real estate agent, and other trusted advisers.

**Jerry’s teaching point:** Preapproval tells you what may be possible. Your personal budget tells you what is comfortable.

# 1. Build the plan before touring homes

## A complete payment includes more than principal and interest

- Property taxes.
- Homeowners insurance.
- Mortgage insurance when applicable.
- HOA dues when applicable.
- Utilities, maintenance, and repairs.

## Prepare for the upfront costs

| | |
|---|---|
| **Earnest money** | A good-faith contract deposit that is generally credited at closing. |
| **Inspection** | A buyer-selected review of the home’s condition. |
| **Appraisal** | A lender-required independent opinion of value in many transactions. |
| **Down payment** | The part of the purchase price not financed. |
| **Closing costs** | Charges to obtain the loan and transfer ownership. |
| **Prepaids** | Upfront taxes, insurance, interest, and escrow funding. |

**Planning reminder:** Assistance, gifts, seller concessions, and lender credits can help in eligible situations, but each comes with rules or tradeoffs.

# 2. Compare loan paths—not just rates

| Option | What to understand |
|---|---|
| **Conventional** | May offer down payments as low as 3% for eligible borrowers. Private mortgage insurance may apply. |
| **FHA** | HUD-insured financing with down payments as low as 3.5% for eligible borrowers and FHA mortgage insurance. |
| **VA** | For eligible borrowers; generally no VA-required down payment and no monthly PMI. |
| **USDA** | Can provide 100% financing for eligible households and rural properties. |
| **Assistance programs** | State or local programs may help with down payment or closing costs, subject to income, location, education, repayment, and other rules. |

## Ask these comparison questions

- What is my full monthly payment?
- How much cash will I need?
- Is mortgage insurance required?
- Are points or lender credits included?
- What happens if I sell or refinance earlier than expected?

# 3. From preapproval to keys

1. Discuss goals, budget, income, assets, credit, and timing.
2. Submit documentation and complete the preapproval review.
3. Choose an agent, tour homes, and make an offer.
4. Review the contract, disclosures, Loan Estimate, inspection, and appraisal.
5. Respond promptly during processing and underwriting.
6. Review the Closing Disclosure and confirmed cash-to-close.
7. Complete the final walk-through, sign, and receive the keys when the transaction funds.

## Protect your approval

- Do not open new credit or make major purchases.
- Do not change jobs or compensation without discussing it first.
- Keep a clear paper trail for deposits and transfers.
- Continue paying every bill on time.

**Before making a financial change:** Call Jerry first. A quick conversation can prevent a closing delay.

# Your first-time buyer checklist

## Before preapproval

- Set your monthly comfort zone.
- Gather income and asset documents.
- List debts and monthly obligations.
- Discuss credit concerns early.
- Keep money for emergencies after closing.

## While under contract

- Watch every deadline.
- Schedule inspections promptly.
- Send requested documents quickly.
- Review disclosures and ask questions.
- Avoid changes to credit, employment, or bank accounts.

## Before closing

- Compare the Closing Disclosure with the Loan Estimate.
- Verify wire instructions independently by phone.
- Confirm identification and final funds requirements.
- Budget for moving, utilities, and early repairs.

# Let’s talk about your mortgage plan

You do not need to know which loan or strategy you want before calling. That is what the education and comparison process is for.

## Jerry Volk

Your Mortgage Educator

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### Consumer resources

**CFPB Homebuying tools:** https://www.consumerfinance.gov/owning-a-home/

**CFPB Down payment planning:** https://www.consumerfinance.gov/owning-a-home/prepare/determine-your-down-payment/

**HUD FHA information:** https://www.hud.gov/helping-americans/loans

**Fannie Mae 97% LTV options:** https://singlefamily.fanniemae.com/originating-underwriting/mortgage-products/97-loan-value-options

**Important information:** This guide is for general educational purposes and is not a commitment to lend, a loan approval, legal advice, tax advice, or a quote of available terms. Programs, rates, fees, and eligibility requirements are subject to change and to borrower and property qualification. Equal Housing Opportunity.