

HomeWise

Free Educational Resources for Homebuyers

First-Time Buyer Booklet

A step-by-step roadmap from budgeting to closing day.

HomeWise is an independent educational resource. We are not a lender, mortgage broker, or financial advisor, and nothing on this site is an offer to lend or a commitment to make a loan. Rates, figures, and calculator results are illustrative estimates for educational purposes only and are not personalized financial advice. Always consult a licensed mortgage professional and verify current figures before making any financial decision.

First-Time Homebuyer's Guide

Buying your first home is exciting -- and a little overwhelming. Here's a clear, no-pressure roadmap of the steps involved so you know what to expect.

Step 1 -- Know your budget

Before falling in love with a listing, understand what you can comfortably afford. A common guideline is keeping your total housing payment around 28% of gross monthly income, but your comfort level matters more than any rule of thumb.

Step 2 -- Check & build your credit

Pull your free reports at AnnualCreditReport.com, dispute errors, and pay down balances. Even a small score improvement can lower your rate. Learn how credit affects your mortgage

Step 3 -- Save for down payment & closing costs

Down payments range from 0% (VA) to 3.5% (FHA) to 20%+ (to avoid PMI on conventional). Don't forget closing costs, which typically run 2-5% of the purchase price. See what closing costs include

Step 4 -- Get pre-approved (educational)

A pre-approval letter shows sellers you're a serious buyer. It's based on a lender's review of your finances. This is something you arrange with a licensed lender of your choosing -- HomeWise does not collect applications.

Step 5 -- Shop, offer, inspect, close

Tour homes, make an offer with an agent, complete inspections and an appraisal, and finalize your loan. At closing you'll sign documents, pay closing costs, and get the keys.

Building Your Homebuying Budget

Before touring homes, get a clear picture of what you can comfortably afford -- not just what a calculator says is possible. A payment that leaves room for the rest of your life is the goal.

- Account for principal, interest, taxes, insurance, and any HOA dues.
- Leave a cushion for utilities, maintenance, and the unexpected.
- Remember closing costs, typically 2-5% of the loan, on top of your down payment.

Saving for the Down Payment and Assistance Programs

The down payment is often the biggest hurdle for first-time buyers, but it is smaller than many people assume, and help exists.

- Some loans allow as little as 0% to 5% down for qualified buyers.
- Many states and cities offer down payment assistance, grants, or favorable loans for first-time buyers.
- Documented gift funds from family are often permitted.

A HUD-approved housing counselor can help you find programs you may qualify for, often at little or no cost.

Strengthening Your Credit

Your credit profile shapes the loans and rates available to you, so a few months of care can pay off for years.

- Pull your free reports and dispute any errors.
- Pay every bill on time and keep credit card balances low.
- Avoid opening or closing accounts right before you borrow.

The Buying Timeline, Start to Finish

Knowing the sequence keeps a first purchase from feeling overwhelming.

- Understand your budget and get your finances in order.

Want the complete guide?

This is a free 3-page preview. The complete First-Time Buyer Booklet runs about 10 pages with the full details. To get the full version, just add your phone number when you download it on our website -- iqhomeloans.org. Your phone number is used only for sending you updated emails and/or support information.