



The Home Buying Process: From Beginning to End

Making a home purchase involves a lot of steps, so we wanted to help you understand the process from the start. To help you navigate each step, here is a quick summary:

1. **Make the decision to buy.** To be ready to buy, you should be debt-free and have an emergency fund of at least two months' expenses. As a homeowner, you need to be able to handle the expenses.
2. **Calculate how much house you can afford.** You should aim for about 25% of your take-home pay each month for your house payment, but the monthly mortgage payments can depend on other debts, like car payments, student loans etc.
3. **Put money aside for a down payment.** A down payment of at least 20% is ideal. For first-time homebuyers, you can save about 5–10% (For example, FHA loans require 3.5% down, and conventional 5%). However, you will need to pay private mortgage insurance (PMI). On top of your down payment amount, don't forget to factor in moving costs and closing costs.
4. **Obtain a mortgage preapproval.** Get a 15-year fixed-rate conventional loan from a trusted mortgage provider to get the

lowest overall cost on your home loan.

5. **Make sure you hire an experienced real estate agent.** An agent who takes care of your financial goals and offers guidance at every stage of the home-buying process is what you're looking for
6. **Find a house to buy.** Identify your must-haves and discuss them with your agent. In most cases, buyers view several homes before they find the home they want to purchase.
7. **Offer to purchase a house.** If you find a home you love at an affordable price, trust your realtor to help you make a competitive offer and negotiate with the seller. As soon as your offer is accepted, you'll have to pay a type of security deposit called earnest money.
8. **Obtain an inspection and appraisal of the home.** A home inspection and an appraisal will protect you from buying a house that's not structurally sound.
9. **Wait patiently for your lender to finalize your loan documents.** Getting a mortgage involves a lot of paperwork. It typically takes about a month or two for a loan to close.
10. **Your house is finally yours!** Pay off all the closing costs, sign the paperwork, and make the final payments. On closing day, you officially become a homeowner.