

WealthPulse by SmartMoney

First-Time Home Buyer Checklist

From "thinking about it" to closing day — every step in order.

■ **Know what you're getting into before you fall in love with a house.**

Buying a home is the largest financial decision most families make. This checklist walks you through the full process — including costs and pitfalls most buyers don't find out about until it's too late.

Phase 1: Before You Start Looking

- **Get Your Credit Score**
Need 620+ for most mortgages. 740+ gets the best rates. Check free at Credit Karma.
- **Pay Down Debt**
Lenders want Debt-to-Income ratio under 36% of gross income.
- **Save for Down Payment**
Minimum 3-5%. Ideal 20% to avoid PMI. Plus 2-5% for closing costs.
- **Build a 3-Month Emergency Fund**
Don't drain savings on a house — you'll need cash for repairs and surprises.
- **Calculate True Affordability**
Use WealthPulse Mortgage Calculator. A lender will approve you for MORE than you should spend.
- **Research Neighborhoods**
Visit at different times. Check schools, crime stats, commute times.

Phase 2: Getting Pre-Approved

- **Shop 3+ Lenders**
A 0.5% rate difference on \$300K saves \$30,000+ over 30 years.
- **Understand Loan Types**
Conventional, FHA (lower down), VA (veterans), USDA (rural). Compare carefully.
- **Gather Documents**
2 years W-2s and tax returns, 2 months pay stubs, 2 months bank statements, ID.
- **Get Pre-Approval Letter**
Different from pre-qualification. Lender has verified your finances. Required for serious offers.
- **Lock Your Rate (if rising)**
Ask your lender about rate locks vs. floating.

Phase 3: House Hunting

- **Hire a Buyer's Agent**
Seller pays the commission. You get professional representation at no cost.
- **Must-Have vs. Nice-to-Have List**
Know what you can't compromise on vs. what can be changed later.

■ **Think About Resale Value**

Good schools, walkability, lot size hold value.

■ **Visit Twice**

First: emotional. Second: practical. Bring your checklist.

■ **Research HOA Fees**

\$200-700+/month. Get the budget and meeting minutes. Look for special assessments.

Phase 4: Offer & Under Contract

■ Make a Strategic Offer

Look at comparable sales (comps). Don't overpay — you'll be stuck with that mortgage.

■ Include Contingencies

Always: inspection contingency and financing contingency. These protect your earnest money.

■ Get a Home Inspection

Never skip. \$400-600 inspection can reveal \$50,000 in problems. Worth every dollar.

■ Negotiate Repairs or Credits

After inspection, ask seller to fix issues or reduce price. They expect this.

■ Get Homeowner's Insurance Quote

Required by lender. Shop multiple providers. Bundle with auto for discounts.

Hidden Costs Most Buyers Miss

Cost	Typical Amount	Notes
Closing Costs	2-5% of loan	Lender fees, title, escrow
Home Inspection	\$400-600	Always worth it
Appraisal	\$500-800	Required by lender
Moving Costs	\$1,000-5,000	More if long distance
Immediate Repairs	\$1,000-10,000+	Something always needs fixing
Property Taxes	1-2%/year	Paid via escrow monthly
PMI (if < 20% down)	\$100-300/month	Until you reach 20% equity
HOA Fees	\$0-700+/month	Check before buying

Disclaimer: Educational purposes only. Real estate laws vary by state. Consult a licensed real estate professional and financial advisor.