

HOME BUYER'S *Guide*

A guide to buying your first home



By Inna Moskalyk, Realtor

Home Buyers Guide: Step-by-Step

Step 1: Get Your Finances in Order

- **Check your credit score** – Aim for 620+ for conventional loans (higher scores get better rates).
- **Save for a down payment** – 3%–20% of the home price, depending on loan type.
- **Budget for upfront and ongoing costs** – Including closing costs (2–5% of purchase price), property taxes, insurance, maintenance, etc.
- **Avoid new debt** – Lenders evaluate your debt-to-income ratio.

Step 2: Get Pre-Approved for a Mortgage

- Contact lenders or mortgage brokers to compare rates and programs (FHA, VA, Conventional).
- Provide proof of income, employment, debts, and assets.
- Get a **pre-approval letter** – This shows sellers you're a serious buyer and helps set your price range.

Step 3: Start House Hunting

- Make a list of must-haves vs. nice-to-haves.
- Consider location, schools, commute, safety, and resale value.
- Tour homes and take notes/pictures for comparison.

Step 4: Make an Offer

- I will help you write a strong, competitive offer.
- The offer will include price, contingencies (inspection, appraisal, financing), and closing date.
- Negotiate terms if needed.

Step 5: Schedule a Home Inspection

- Hire a licensed home inspector to check the property's condition.
- Review the report and request repairs or credits if necessary.
- You can walk away if major issues are found (within contingency deadlines).

Step 7: Finalize Your Mortgage

- Submit documents to your lender for full approval.
- The home must appraise at or above the offer price.
- Lock in your interest rate if you haven't already.

Step 8: Get a Homeowners Insurance Policy

- Required by lenders.
- Covers damage from fire, weather, theft, and liability.

Step 9: Closing Process

- **Do a final walk-through** 24–48 hours before closing.
- Review the **Closing Disclosure** from your lender (details all costs).
- Bring valid ID, certified funds (or wire transfer), and sign paperwork.
- **Receive the keys** once the title is transferred and the loan is funded!

Step 10: Move In and Celebrate!

- Change the locks and update your address.
- Set up utilities, trash service, and internet. For primary residence: apply for homestead exemption to reduce the property taxes.
- Start building equity in your new home!

OFFER ACCEPTED!

What's next?

First of all, congratulations! You are a step closer to homeownership!

If you're ready to buy a house, applying for a mortgage is just the first step. There are several additional tasks to complete once your offer is accepted.

Step 1: Make Your Earnest Money Deposit

Earnest money deposits are usually between 1% and 3% of the sale price. You have to come up with this amount in cash, which is held in the escrow account. Later, it can be applied towards your down payment or closing costs. Earnest money is usually due within 3 days of a signed and accepted offer.

Step 2: Schedule The Inspections

Typically, per the purchase and sale agreement, the inspection period is 10-15 days, but I recommend to have the inspection done sooner.

The purpose of a home inspection is to ensure the house is physically sound and free of major issues. A typical home inspection checklist for buyers includes checking for structural problems, wiring, roofing, plumbing issues, HVAC system, windows and doors, etc. The home inspection is paid by the buyer and costs around \$350-700.

Step 3: Shop For Homeowners Insurance

Your lender will require you to get a homeowners insurance policy and keep your home insured until the loan is paid off. So, when you've found your new home, it's a good idea to start shopping for homeowners insurance. This gives you time to compare companies, coverages, and rates.

Step 4: Get An Appraisal

Lenders rely on the appraisal to ensure the property is worth the amount you intend to borrow. As part of the loan application process, the lender will schedule the appraisal. The home appraiser is a third party (not you or the lender). However, as the buyer, you are responsible for covering the cost of the appraisal. The average cost of a home appraisal in Florida runs between \$350 and \$600.

Step 5: Title Search And Title Insurance

A title search will be conducted to ensure there are no legal issues with the property. Title insurance protects the buyer against title defects and challenges to their ownership of the property. This includes issues such as unpaid liens, encumbrances, and errors in public records. It is customary for the seller to pay for title insurance.

Step 6: Loan Approval

Refrain from making significant financial changes, like large purchases or changing jobs, during the loan process. Maintain open communication with your lender and respond promptly to requests to get the loan approved in a timely manner.

Step 7: Final Walk-Through

A final walkthrough occurs shortly before the closing of a property sale. It allows the buyer to inspect the property one last time to ensure it's in the agreed-upon condition and that any repairs or negotiated items have been addressed satisfactorily.

Step 8: Closing Day, Possession And Transfer

The buyer receives copies of all signed documents, including the deed, settlement statement, and any other relevant paperwork. The deed is recorded with the county or city recorder's office, officially documenting the transfer of ownership. Don't forget to bring your ID to the closing table.

Step 9: Post-Closing Celebration

Celebrate! And don't forget to transfer the utilities to your name, as well as inform relevant parties about the address change. If you are buying a primary residence apply for the homestead exemption. A homestead exemption is a legal provision that allows homeowners to reduce the taxable value of their primary residence, thereby lowering the amount of property taxes they owe.

CONGRATULATIONS!

Checklist of Home-buying Process

- ☐ Obtain Financial Pre-Approval
- ☐ Analyze Your Needs and Wants at Buyers Consultation
- ☐ Select and Tour Properties
- ☐ Write an Offer
- ☐ Negotiate Terms
- ☐ Accept the Contract
- ☐ Send the Binder Deposit
- ☐ Apply for a Loan
- ☐ Schedule an Inspection
- ☐ Negotiate the Repairs or a Seller Credit
- ☐ Shop for Homeowner's Insurance Quotes
- ☐ Provide Proof of Homeowner's Insurance to Your Lender
- ☐ Order Property Survey (if applicable)
- ☐ Submit Documents to Lender for Underwriting
- ☐ Have a Property Appraised
- ☐ Negotiate Price Adjustments
- ☐ Conduct Title Search
- ☐ Review Title Commitment
- ☐ Confirm Loan Approval (Clear to Close)
- ☐ Review Closing Disclosure
- ☐ Schedule Final Walk-Though
- ☐ Get Funds for Closing
- ☐ Close on the Property
- ☐ Set Up Utilities & Change Address
- ☐ Celebrate!



Call with any questions at 747-344-7246

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