



FIRST TIME HOMEBUYER BENEFITS & PITFALLS

Learn the process to buying your first home.

1. Decide on buying

- Weigh out the pros and cons to renting vs. buying.
- Plan to live in the area for at least the next 5 years.
- Typically, it will take a few years to offset the upfront costs before you start to gain equity in the home.

2. Get Pre-Qualified

- Work with your lender to determine what a healthy monthly housing payment will be for you.
- Make sure your lender and Realtor are connected so your lender can send your pre-qualification letter directly to your Realtor when it's time to make an offer!
- A pre-qualification letter will instill confidence in the seller that you are going to be able to close the deal.

3. Work With Realtor

- Realtors have the knowledge and the negotiation skills to help you find a home that fits your needs.
- Realtors are free! Their fees are paid for by the seller.

4. Be Prepared & Stay Focused

- Use the Flat Branch Home Loans mobile app to stay up to date through the process!
- Keep all financial documents handy.
- On average, it takes 3 to 4 offers on homes before you get one accepted.

Call your Flat Brancher if you have any questions throughout the process!

PITFALLS THAT WILL MAKE THE PROCESS MORE DIFFICULT

Lack of Credit

You typically need a 620 credit score to qualify for a mortgage. Work with your lender to build your credit score and fix any problems before you start looking.

Not Knowing How Much You Can Afford

Find a home with a payment that you can afford. Talk with a Flat Branch Home Loans Mortgage Banker. Find out what monthly payment you can qualify for at today's mortgage rates.

Lack of Cash to Work With

You'll need enough cash to put away to cover most if not all of the following: down payment, earnest money deposit, inspection & appraisal, closing costs, prepaid interest, property taxes and home-owner's insurance.

Stuck In Lease Agreement

Don't let a long lease drag you down. Negotiate an early exit from the lease. Expect to pay approx. 1.5 months worth of rent plus loss of security deposit to break the lease. Try to avoid finding sub-lesors or paying entire lease off.

Too Busy at Work

Find ways to be available during the week for your lenders and realtors. Even if it means spending your lunch break returning calls or uploading docs to the Flat Branch Home Loans mobile app.

Less Than Full Commitment

Finding a home isn't a weekend or "honey-do list" type of project. On average, it takes 12 weeks of searching before finding the right home. Keep communication active with your Realtor and Mortgage Banker.

Can't Find a Home

Find a home that fits your needs, not just your tastes. Make a list of the basic essentials that your home needs to have. When you find the right home, be ready to pounce!

Small Down Payment

Determine a down payment that fits your budget. Putting 20% down will eliminate the need for mortgage insurance but you don't need 20% down to buy a home. There are many programs that allow for little to no down payment. When paired with grant and down payment assistance programs, you may be left with no need for a down payment at all!

Not Getting an Inspection

Home inspections are a no brainer. Get one! Make sure the home you want to buy is in good standing.