

9 handy tips for first-time homebuyers

You can save time, money, and worry with this practical advice

Buying your first home is exciting. It can also be a little stressful sometimes too, between finding the right house and figuring out how to pay for it and understanding how to get a mortgage and close the sale. Fear not! We have handy tips that will help you make good decisions all along your homebuying journey.

1. Check your credit score

Before you start looking for a new home to buy, check out your credit score. It's a good idea to check for errors and work with credit agencies to get them fixed or removed from your report. Your [credit score](#) provides a "snap shot" of how well you manage your finances and how likely you are to repay a loan.

The higher your credit score, the better. Credit scores help determine if you qualify for a loan, and your interest rate. Higher credit scores sometimes mean lower interest rates.

2. Shop around for the right mortgage

Homebuyers have lots of mortgage options. One popular choice for first-time homebuyers are FHA loans, which have lower credit score and down payment requirements than some other loans. If you are an active duty member of the military or a veteran, look at the benefits of a VA loan. See our article on [how to choose a mortgage](#) for more advice on choosing the right mortgage for you.

3. Get pre-approved for a mortgage

Once you find a loan, get pre-approved from Freedom Mortgage. Getting pre-approved will help you understand how much money you can afford to spend on a house. It can also make your offer on a house more attractive to the seller. That's because a pre-approval gives the seller more confidence you can afford their house and will be approved for a mortgage to buy it. A pre-approval will help familiarize you with some of the things you need to do to apply for a mortgage too.

4. Make a budget

When you buy a home, you will typically pay [closing costs](#) and you will probably have some moving expenses. Once you buy the house, your monthly payment includes the monthly principal and interest payment on your mortgage plus any amounts required for mortgage insurance (if applicable) and to be escrowed for property taxes and hazard insurance. You have utility bills and maintenance costs when you own a home. And you have your other bills for gas, food, clothing, and so on.

Sit down and make a budget for all your expenses before you buy. This will make you more comfortable with your [estimate of how much house you can afford](#). Many financial professionals recommend not spending more than one third of your budget on house expenses.

5. Make a "need to have, nice to have" list

It's fun to dream about the perfect house. It's just that most people realize after they've made their budget, they can't afford everything they want when they buy their first home. Write down everything you want and then prioritize the items on the list. Choose things you need to have (like enough bedrooms and bathrooms), things that are nice to have (like a finished basement), and deal breakers (like a long commute to work). This will help you find houses that are right for you.

6. Think about the future

While you are thinking about what you need in a house today, also think about what you might need from your house tomorrow. If you don't have children right now but think you might want them in the future, look at the school system in your community. Also think about the resale value of the house. You never know where life will take you (like a new job in a new town). You want to buy a home that another buyer will want.

7. Consider hiring a real estate agent who works for you

When you are buying your first house, think about hiring a "buyer's" agent. A buyer's agent works for you rather than the person selling the house. A good buyer's agent will work hard to show you houses that meet your needs and budget. They will return your calls and take the time to answer your questions and explain the homebuying process. Shop around for the right agent just like you shop for the right mortgage.

8. Get a home inspection

You found a house, you've made an offer, the offer is accepted and now it feels like there are a hundred things to do. Make sure getting a home inspection is one of those things! A home inspection is different than a home appraisal. A home appraisal estimates the [market value](#) of the house – which can be different than the sale price – and is usually required by the lender.

A home inspection is requested by the buyer, looks at the home's condition, and identifies problems that need to be fixed. Sometimes the seller fixes these problems before the sale of the house is complete. Sometimes the price of the house is reduced and the buyer makes the repairs. Don't be afraid to ask the seller to make repairs or drop their price after you get the inspection report!

9. Wait until the sale closes to buy big stuff

We look at your credit again right before the sale of the house closes, so avoid making any big purchases on credit until after you've bought the house. You might be excited to furnish your new home for example, but wait until after the deal is done. That way you won't complicate getting final approval for your mortgage right before you are ready to close on the house.

Choosing the right lender helps make buying your first home smooth. At Freedom Mortgage, we are committed to helping all our customers find the right loans, answering questions, and making sure you understand every step of the loan approval process. [Get Started](#) today or call us at 877-220-5533.

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