

Homeownership 101:

10 Essentials for Soon-to-Be Buyers



The Mortgage Firm

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Hi there,

Congratulations on taking a big step toward homeownership! This guide was designed with you in mind—whether you're a seasoned homeowner or looking for the perfect starter home.

We're excited to walk you through the process by empowering you, not overwhelming you. If you have questions along the way, please ask them! We're a team, and we are here to eliminate stress so that you can enjoy all of the joy that comes with a new home.

This guide is a great place to brush up on your knowledge of the homebuying process, like understanding what lenders look for and knowing exactly what happens on closing day. We have also included Florida-specific tips, first-time buyer programs, and some behind-the-scenes tips that will give you a leg up on other buyers (and even prepare you for another home on down the line!).

"Smart, smooth, and stress-free." That's how we hope you remember this experience on closing day. Let's get your dream home!

The Mortgage Firm Team



The 10 Steps to Homeownership

Step 1: Know Where You Stand

Step 2: Get Pre-Approved

Step 3: Work with a Realtor

Step 4: Make an Offer & Sign the Contract

Step 5: Apply for Your Loan

Step 6: Home Inspection & Appraisal

Step 7: Loan Approval & Clear to Close

Step 8: Closing Day

Step 9: Post-Close Steps

Step 10: Florida Buyer Benefits

Step 1:

Know Where You Stand

Before you go to showings or start saving listings online, let's talk numbers. What's your financial health like? This means evaluating your income, monthly expenses, current debts, credit history, and savings.

Your credit score is one of the biggest factors lenders consider—it directly impacts the interest rate you'll receive and what loan programs you're eligible for. A higher credit score can unlock lower rates, while a lower score might require additional documentation or restrict you to specific loan types.

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Your credit score is just one piece, though. Lenders will also look at your **Debt-to-Income (DTI) ratio**, which is a percentage showing how much of your monthly income goes toward debt payments. The lower your DTI, the stronger your loan application will be.

Remember: numbers make decisions, not emotions! It's easy to be tempted by a beautiful home, but you'll thank yourself later for sticking to a payment that fits your lifestyle.



TIP: There's more to the monthly payment than principal and interest. Don't forget to factor in taxes, insurance, HOA fees, and utilities.



Step 2:

Get Pre-Approved

Pre-approval: You've probably heard the word, but how does it impact your chances of going under contract for your dream home?

Getting pre-approved means a lender has reviewed your financials and issued a letter stating how much you're qualified to borrow. The pre-approval process is more in-depth than pre-qualification—it also gives sellers confidence in your offer.

To get pre-approved, your lender will need documents like:

- Recent pay stubs and tax returns
- Bank statements and investment account info
- Government-issued ID
- Consent to do a soft pull on credit report

Your lender will evaluate your documents and issue a **pre-approval letter** that you can submit with offers. The letter shows your maximum loan amount, but it's smart to aim a bit lower to leave room in your budget.

Your pre-approval is usually valid for 60–90 days. If you don't purchase within that time, it can be updated with current documents.



Good to know:

Soft pulls are different than hard pulls. They don't impact your score!



Step 3: Connect with a Realtor

A great realtor is essential to the homebuying process. Here's what to look for:

- Do they understand your local market?
- Help you narrow down neighborhoods?
- Schedule tours, write offers, and negotiate on your behalf?

You want to find someone who knows the area, is responsive to your needs, and has experience with buyers in your price range.

Once you've defined your must-haves and nice-to-haves, your realtor will send you listings and coordinate showings. Be prepared to act fast in a competitive market—homes can go under contract within days or even hours.

Your agent will also help you evaluate whether a home is priced fairly, based on comparables, condition, and location. They're your advocate and guide in one of the biggest financial decisions you'll ever make.

Step 4: Make an Offer & Sign the Contract

Once you've found the right home, your realtor will help you draft an offer. This includes:

- The purchase price
- Closing date
- Contingencies (like financing, inspection, or appraisal)
- Your earnest money deposit

Earnest money is a good faith deposit—usually 1–3% of the home price—that shows you're serious about your offer on the property. It's applied to your closing costs or down payment later.

Contingencies protect you as the buyer. For example, an inspection contingency allows you to back out or renegotiate if serious issues are found. The financing contingency ensures you can cancel the deal if your mortgage falls through.

Once your offer is accepted and the contract is signed, you're officially under contract!





Step 5: Apply for Your Loan

Even though you're pre-approved, the full loan process doesn't begin until you're under contract. During this phase, your loan officer will help you choose the best loan type for your situation (FHA, VA, USDA, or Conventional) and lock your interest rate.

This is also when underwriting begins—your lender will examine your finances in detail, confirm your employment and income, and ensure the home meets loan standards. They'll also request additional documentation, so be responsive—any delays might push back your closing.

Step 6: Home Inspection & Appraisal



The home inspection is your chance to assess the true state of the home and uncover any possible issues. Your realtor may have an inspector they've vetted and recommend, but if not, make sure you work with a licensed home inspector.

Some areas to be extra mindful of are:

- The roof
- HVAC
- Plumbing
- Electrical
- Foundation

After the inspection, your home inspector will provide a report outlining any defects, safety concerns, or maintenance needs.

If there are major issues, you can negotiate with the seller for repairs or a credit, or withdraw your offer if your contract allows.

Separate from the inspection, the lender will order an **appraisal** to determine the fair market value of the home. If the home appraises below the contract price, you can either renegotiate the price, make up the difference in cash, or challenge the appraisal.



Step 7: Loan Approval & Clear to Close

Once underwriting is complete, your loan gets that **Clear to Close** label, which means all conditions have been met and your final documents can be prepared.

You'll receive a **Closing Disclosure** (CD) at least three business days before your scheduled closing that shows your final loan terms, interest rate, monthly payment, and closing costs. Review it carefully and compare it to your Loan Estimate. If anything looks off, don't be afraid to ask questions.



Step 8: Closing Day

The big day is here! You'll go to the title company, attorney's office, or close remotely. Here's what to bring:

- A government-issued ID
- Certified funds or proof of wire transfer for closing costs and down payment

You'll sign a stack of documents, including the mortgage note, deed of trust, and loan disclosures. Once everything is signed and funded, the home is officially **yours!**



Wire Fraud Warning: Criminals have targeted buyers by sending fake wiring instructions. Always verify instructions by phone with your title company—never trust wiring instructions sent via email alone.



Step 9: Post-Closing Steps

You have the house; now you need to make it yours. After closing, make sure to:

- **Transfer utilities** into your name for electric, water, gas, internet, and trash
- **Store documents** digitally and in a fireproof safe
- **Set up insurance and mortgage autopay** if applicable
- **File for Florida's Homestead Exemption** between January 1 and March 1 if the home is your primary residence. This can save you thousands in property taxes!

Step 10: Florida Buyer Benefits

Many first-time buyers in Florida are eligible for local and state programs. Here are a few worth looking into:

- **Florida Hometown Heroes:** Assists full time employees within the state of Florida with down payment and closing costs.
- **Down Payment Assistance Programs:** These vary by county and sometimes by city. Work with a lender who's familiar with local programs; they'll help you explore what you qualify for.

DISCLAIMER: Additional terms and conditions may apply. Programs are subject to change without notice and subject to the respective program eligibility guidelines. An offer of credit is subject to credit approval.



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