

MORTGAGE LIBRARY • LOAN GUIDE 01

Buying a Home

How to go from “just looking” to keys in hand — with a clear budget, the right loan, and no surprises.

Buying a home is one of the biggest financial decisions most people ever make, and it's normal to feel unsure about where to start. The good news: the process is the same steps in the same order nearly every time. Once you can see the whole map, it gets a lot less intimidating.

This guide walks you through how much home makes sense for you, the main loan types and who each one fits, what really happens between your offer and closing day, and the questions worth asking along the way.

At a Glance

WHO IT'S FOR

First-time buyers, move-up buyers, people downsizing, and anyone relocating closer to family.

WHAT MATTERS MOST

A monthly payment you're comfortable with — not just the largest loan you can qualify for.

BIGGEST EARLY STEP

Getting pre-approved before you shop, so you know your real budget and sellers take you seriously.

WATCH OUT FOR

Opening new credit, changing jobs, or moving large sums of money while your loan is in process.

How Buying With a Mortgage Works

A mortgage is a loan secured by the home you're buying. You bring a down payment and closing costs, the lender provides the rest, and you repay it over time with a monthly payment that usually includes principal, interest, property taxes, and homeowners insurance (and mortgage insurance on some loans).

Lenders look at four main things: your income and job history, your credit, the money you have available for the down payment and reserves, and the home itself. Different loan programs weigh those factors differently — which is why the right program can make a big difference.

The Main Loan Types

Conventional

Not government-backed. Often a strong fit for buyers with solid credit. Mortgage insurance may apply with a smaller down payment and can often be removed later.

FHA

Insured by the Federal Housing Administration. More flexible on credit and down payment, which helps many first-time buyers. Has its own mortgage insurance rules.

VA

For eligible veterans, service members, and some surviving spouses. May allow purchase with no down payment and no monthly mortgage insurance. A benefit you've earned — worth a serious look.

Jumbo

For loan amounts above the limits for standard conforming loans, common in higher-cost areas. Usually has stricter credit and reserve requirements.

Your Questions, Answered

How much home can I comfortably afford?

Start with the monthly payment that fits your life, not the maximum a lender will approve. Include taxes, insurance, and any HOA dues, and leave room for savings, repairs, and the things you enjoy. I'll show you payment ranges at different price points so you can choose with your eyes open.

What do I really need for a down payment?

Less than many people think, depending on the program. Some loans allow a small down payment, VA may allow none for eligible borrowers, and down payment assistance can help cover part of it. Remember to plan for closing costs and a cushion of savings too.

Pre-qualified vs. pre-approved — what's the difference?

Pre-qualification is a quick estimate based on what you tell me. Pre-approval means your income, assets, and credit have actually been reviewed. A pre-approval letter makes your offer stronger, because the seller knows your financing has been checked.

Will shopping for a mortgage hurt my credit?

Credit checks for the same type of loan within a short shopping window are generally treated as a single inquiry by the major scoring models. What hurts more is opening new credit cards or loans while you're in the middle of buying.

What are closing costs?

Fees for services like the appraisal, title insurance, escrow, and recording, plus lender charges and prepaid items such as insurance and property taxes. You'll see them itemized on your Loan Estimate early on, and again on your Closing Disclosure before you sign.

Can the seller help with my costs?

Often, yes. A seller credit toward closing costs can be part of your offer, within the limits of your loan program. Your real estate agent and I can talk through whether it makes sense in your market.

What to Expect, Step by Step

- 1 Set your budget.** We talk through your goals and the monthly payment you're comfortable with.
- 2 Get pre-approved.** You share income, asset, and credit information; I review it and give you a pre-approval letter.
- 3 Shop and make an offer.** You work with your real estate agent. I can update your letter for each offer so it matches the price.
- 4 Apply and lock.** Once your offer is accepted, we finalize the application and talk about the right time to lock your rate.
- 5 Appraisal and underwriting.** The home is appraised and the underwriter reviews your file. I translate any follow-up requests.
- 6 Closing.** You review your Closing Disclosure, sign your documents, and get your keys.

Mike's Straight Talk

Your budget is yours. Qualifying for a payment doesn't mean you should take it. I'd rather help you buy a home you can enjoy than one that keeps you up at night.

Keep your finances steady. Between pre-approval and closing, avoid new credit, big purchases, job changes, and large unexplained deposits. Call me first if something changes.

Look beyond the rate. Compare the full picture: rate, fees, mortgage insurance, and cash needed at closing. The Loan Estimate makes this comparison easier.

Plan for life after closing. Keep some savings for moving costs, repairs, and the surprises every homeowner runs into.

Documents You'll Likely Need

- ☐ Photo ID
- ☐ Recent pay stubs and W-2s (or tax returns if self-employed)
- ☐ Recent bank and retirement account statements
- ☐ Information on any other debts or properties you own
- ☐ The signed purchase contract, once your offer is accepted
- ☐ VA buyers: your Certificate of Eligibility or service documents

Your list may differ. See the full *What Documents Will I Need?* checklist in the Mortgage Library.

Have a question? Ask me directly.

Asking a question isn't applying for a loan. You'll get a straight answer from a real person.

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