

Buying a home can be nerve-racking, no matter where you live. Whether you're [a first-time homebuyer in Maryland](#) where there's no county with an average list price under \$100,000, or a contract for deed buyer in Minnesota, this is expensive too as a first-timer.

While going through the home buying and mortgage process, you'll encounter both big price tags and unfamiliar situations.

Cities all across the country have tight and complicated real estate market which may seem impossible for a [first timer](#) to succeed on their own. However, there's more to buying a home than picking your favorite listing and moving in. It's important to understand all the steps of completing a real estate purchase in any city, as well as what to look for when buying, [what questions to ask](#), understand the hidden costs, and how to close on it.



Too often, people rush into homeownership because it's seen as a sign of adulthood and financial responsibility. They fail to realize the commitment and responsibilities that come along with owning a home. They fail to realize that homeownership is not a guaranteed good

investment. Take it or not, people are currently in the business yet their finances are not the best.

Now, what are the things you should consider when buying your first home?

Personal Finances

Being able to purchase a home means you know what you can afford. You can determine this based on your finances. Always try to keep track of your credit score and work towards improving it as much as you can. The greater the score you get, the faster you'll be approved for a loan. You as well need to consider how much you need for a down payment. Homebuyers are expected to put up between 5 and 20 percent of the price of a property as a down payment. As a potential homeowner, saving for a down payment should be your top priority.

Study your Mortgage and Down Payment Options

You can always find different mortgage options out there. Each comes with different combinations of pros and cons. As a first-time homebuyer struggling to get the best down payment, you should understand that the amount you put down will have an impact on your monthly mortgage and interest rates. If you are interested in the smallest rates possible, you can go for a 30- years fixed mortgage program. You can also go for a 20 or 15-year fixed loan if you can afford larger monthly payments. Try playing with various [mortgage calculators](#) online to see what fits you.

Find an Experienced Real Estate Agent

With your list of priorities and pre-approval information in hand, speak to a real estate agent who can help you find a home. As a first-time homebuyer, you need someone experienced by your side to guide you through the process. An agent can facilitate negotiations between buyers and sellers and show you properties that fit your budget and meet your needs.

Go shopping for your first home

After avoiding every possibility of financial disaster by understanding every

available mortgage and down payment option, you can now go for house hunting, your real estate agent can be very helpful at this stage. Searching for a home at this time will be the perfect move as you already know what you can afford from your credit report. Your credit report is needed by a lender to determine what type of property you can afford.

Save for Closing Cost

You will work with your lender and your real estate agent to ensure that all of the relevant paperwork for your purchase is in order. Along with your down payment, you'll be required to pay for closing costs. You must be wondering what this is for and how much it is maybe? Closing costs generally vary within 3-4% of the property purchase price.



These fees pay for important steps in the home-buying process, including:

- Appraisal
- Home inspection
- Credit report
- Attorney
- Homeowner's insurance



So, no matter when you plan on purchasing your first time, be sure that you're well aware of all of the extra costs and what you'll really be spending. For more info, please contact us whenever you're in need of homebuying advice.