



First-Time Homebuyer Benefits & Pitfalls



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 comfortable 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

- Stay in contact with your lender and Realtor.
- Keep all financial documents handy.
- On average, it takes 3 to 4 offers on homes before you get one accepted.

PITFALLS THAT WILL MAKE THE HOME BUYING PROCESS MORE DIFFICULT

1. 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.

2. Lack of Cash to Work With

You'll need enough cash 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 homeowner's insurance.

3. Less Than Full Commitment

Finding a home isn't a weekend project. On average, it takes 12 weeks of searching before finding the right home. Keep communication active with your Realtor and lender.

4. 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 make an offer!

5. Small Down Payment

Determine a down payment that fits your budget. Putting 20% down will eliminate the need for private mortgage insurance but you don't have to have 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!

6. Not Getting An Inspection

Getting a home inspection is highly recommended. Make sure the home you want to buy is in good condition.



SAMANTHA WEST
Mortgage Lending Manager

P: 573.351.0341
swest@fcnb.com
NMLS: 1779245
FCNB NMLS: 410261
402 W. Main St., Steelville, MO 65565



fcnbmortgage.com | Member FDIC

