



# First-Time Homebuyer CHECKLIST

Follow these steps to help make your dream home a reality

Ready to buy your first home? Our checklist will help ensure you have everything in order and are prepared for this important milestone.

You've decided that now's the time to take the plunge and buy a home. There are a few steps you'll need to take to make your dream become a reality, and Freedom Mortgage is here to help! Use this checklist as a guide to help you stay organized and prepared for all the steps within the process. Before you start looking for a home, doing some preplanning is a good use of your time.

## Get Organized

- Collect proof of income.** You'll need to show proof of income for a specific period of time. You'll need W-2s, pay stubs, tax returns, etc.
- Save money in the bank.** Make sure you have enough for a down payment and other expenses. The money you put down up front affects the cost of the loan. This can also have an impact on your rate or the need for Private Mortgage Insurance (PMI).
- Get a free credit report.** It's a good idea to know your credit score before you apply for a loan to ensure that everything is accurate. You can get a free annual credit report through [AnnualCreditReport.com](https://AnnualCreditReport.com).
- Research neighborhoods.** Check out locations where you may want to buy and talk to friends and family for real estate broker/agent referrals to start your home search.

## Home Wish List

**Create a list of wants and needs for your new home.** Narrow down what you want in a home. You may not find all the things on your wish list in one home, so ranking your list by order of importance may help make the decision easier. Here are some features to consider:

- Single-family home or condo/co-op
- Number of bedrooms and bathrooms

- Yard
- Garage
- Finished basement
- Fenced-in yard
- Close to parks
- Nearby schools

## Figure out Finances

- Spruce up your credit.** Lenders will look at your credit score to determine your ability to make payments. Pay down debts if you can. Opening new credit lines or making major purchases prior to submitting your loan application may impact the process.
- Figure out a down payment.** For a Conventional loan, you'll need to have 20% of the home's cost as a down payment to avoid paying Private Mortgage Insurance (PMI). If you're a Veteran and eligible for a VA loan, you don't need a down payment to avoid PMI. Check our Affordability Calculator to help you determine the right down payment.
- Calculate an expense fund.** Make sure you have some money left in the bank for emergencies, repairs, or improvements you might want to make to your new home.
- Check rates.** Do your research and look at the market to understand current interest rates. Use our Mortgage Payment Calculator to estimate what your monthly mortgage payment might be. This can help you create a monthly budget for your new home.
- Get prequalified.** Prequalification helps you understand how much home you might be able to afford. Freedom Mortgage can help you get prequalified.

## Gather Documents

**This is a necessary and important part of the application process.**

In certain circumstances, alternative documentation can also be used to evaluate creditworthiness. Ask your Loan Advisor for further information.

- Gather your proof of employment and income (pay stubs, tax returns)
- Print your 401K, savings, and financial statements
- Document your history, including past jobs and home addresses

## Start Your Search

- Narrow down the target location for your home.** Figure out the towns and communities you want to pursue. Look into schools, communities, accessibility to shopping, and work commute times before you make your decision.
- Look at Multiple Listing Services (MLS) and homebuying sites.** Search online to get a sense of what types of homes are available in the locations you're interested in.
- Find a real estate broker or agent.** Get recommendations and do your research to find a real estate broker or agent who is reliable and understands your needs and budget. You can connect with top agents and save thousands in Cash Rewards when you buy and sell through Freedom Homes partners\*.

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*Home buyers and sellers must use a real estate agent in the HomeAdvantage network to be eligible for Cash Rewards and the prospective purchaser or seller of real estate property must be eighteen (18) years of age or older. In some cases, a real estate agent in the HomeAdvantage network may not be available. If you are currently working with a real estate agent, this is not a solicitation.*

*Cash Rewards may be limited and/or prohibited by state law. For example, no reward will be available for buyers in MS. Cash Rewards may be in the form of a closing cost credit disclosed on the Closing Disclosure or a reduced real estate commission with the exception of the following states where a check will be issued after closing; AL, AK, IA, KS, LA, MO, OK, OR and TN.*

## Securing the Home and Loan

- Make an offer
- Lock in your rate
- Schedule a home inspection
- Secure homeowners insurance
- Close and get the keys
- Move in

