K&G CAPITAL MORTGAGE

First-Time Homebuyer Guide

Eight steps from first conversation to closing day

Buying your first home can feel overwhelming, but it doesn't have to be. This guide breaks the process into eight simple steps so you know exactly what to expect from your first conversation with a loan officer to the day you get your keys.

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1. Get Your Finances in Order

Before you start house hunting, take a clear look at your monthly income, debts, and savings. Lenders will look at your debt-to-income ratio (DTI), so paying down credit cards or car loans now can help you qualify for more later.

K&G Tip: *Avoid opening new credit cards or making large purchases in the 3-6 months before applying for a mortgage.*

2. Get Pre-Approved, Not Just Pre-Qualified

Pre-qualification is a quick estimate based on what you tell a lender. Pre-approval is the real deal: your lender verifies your income, assets, and credit, and gives you a letter showing sellers you're a serious, ready buyer. In today's market, most sellers won't consider an offer without one.

3. Know Your Down Payment Options

- **Conventional loans:** as low as 3% down for qualified first-time buyers
- **FHA loans:** as low as 3.5% down, with more flexible credit requirements
- **VA loans:** 0% down for eligible veterans and active-duty military
- **USDA loans:** 0% down for eligible rural and suburban properties
- **Down Payment Assistance:** grants and forgivable loans may cover some or all of your down payment

4. Set a Realistic Budget

Your maximum approval amount isn't always the smartest amount to spend. Factor in property taxes, homeowners insurance, HOA dues, and a comfortable cushion for maintenance and unexpected repairs before you decide what to offer.

5. Find a Realtor You Trust

A buyer's agent doesn't cost you anything out of pocket in most cases and can be invaluable for navigating offers, negotiations, and local market knowledge. Ask your loan officer for a referral if you don't already have one.

6. Make an Offer and Go Under Contract

Once you find the right home, your realtor will help you submit a competitive offer. When it's accepted, you'll sign a purchase contract and put down an earnest money deposit, which shows the seller you're committed.

7. Inspection and Appraisal

A home inspector checks the property's condition so you know what you're buying and can negotiate repairs if needed. Separately, an appraiser confirms the home is worth what you're paying, which your lender requires before final approval.

8. Clear to Close and Closing Day

Once underwriting signs off, you're "clear to close." You'll do a final walkthrough, sign your loan documents, and get your keys, typically all in the same day.

K&G Tip: *Ask your loan officer for a full Loan Estimate early so there are no surprises at the closing table.*

Ready to take the next step? Our loan officers offer same-day pre-approvals and will walk you through every step above, personally. Reach out any time at (832) 813-0100 or info@kgcm.com.