

CENTURY 21[®]

Shea Realty

Your First-Time Homebuyer's Guide

A complete roadmap to confidently navigate your home buying journey—from financial prep to getting the keys.



The Home Buying Journey (General Overview)

Buying your first home involves seven key phases. Understanding each step helps you stay organized, avoid surprises, and move forward with confidence.

01	02	03
Financial Preparation	House Hunting	Making an Offer
Build a strong foundation with credit, budget, and savings	Find your ideal home with the right team and research	Submit a competitive offer and negotiate terms
04	05	06
Under Contract	Closing Prep	Closing Day
Complete inspections, appraisals, and due diligence	Review documents and conduct final walkthrough	Sign papers, transfer funds, and receive keys
07		
After Closing		
Move in and manage your new homeownership responsibilities like transferring utilities, etc...		

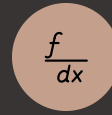
Phase 1: Financial Preparation

Before you start browsing listings, establish a solid financial foundation. This phase typically takes 3-6 months and sets you up for success.



Check Your Credit

Pull reports from all three bureaus. Aim for 640+ for FHA loans or 700+ for conventional. Pay down debt and fix any errors.



Determine Your Budget

Keep housing costs at 28% or less of gross income. Total debt should stay under 43%. Use mortgage calculators to find your range.



Save for Upfront Costs

You'll need 3-20% down payment plus 2-5% for closing costs. Keep your emergency fund intact (3-6 months of expenses).



Get Preapproved

Shop at least three lenders. Gather W-2s, pay stubs, tax returns, and bank statements. A preapproval letter shows you're serious.

If you are working with a reputable lender they should run you through all of this in detail and give you exact numbers.

Phase 2: House Hunting

Assemble Your Team

Working with an experienced buyer's agent costs you nothing—the seller typically pays their commission. Choose someone who specializes in first-time buyers and knows your target neighborhoods well.

Do Your Homework

Research areas thoroughly before viewing homes. Consider your daily commute, school quality, property taxes, neighborhood safety, and nearby amenities. Visit at different times of day to get a true feel for the area.

Start Touring Properties

Look beyond fresh paint and staging. Focus on the condition of major systems—roof, HVAC, plumbing, and foundation. Take detailed notes and photos to help you compare properties later.



Phase 3: Making an Offer

Found the perfect home? Time to make your move. Your agent will guide you through crafting a competitive offer and negotiating terms.



Submit Your Offer

Your agent prepares a purchase agreement including price, contingencies, and proposed closing timeline.



Pay Earnest Money

Deposit around \$1000 of the purchase price into escrow. This is a good number for the Anaconda and Butte Markets. This shows you're serious and will be credited toward your closing costs.



Negotiate Terms

Expect counteroffers on price or terms. You can also negotiate for repairs or credits based on inspection findings.



Phase 4: Under Contract

Once your offer is accepted, the due diligence period begins. This critical phase protects your investment and ensures you know exactly what you're buying.

1

Home Inspection

Invest \$300-\$500 in a professional inspection to identify structural issues, system problems, and necessary repairs. You can renegotiate or walk away if major issues surface.

2

Appraisal

Your lender orders an independent appraisal to confirm the home's fair market value. An appraiser will evaluate the property's condition, features, and recent comparable sales in the area. This typically occurs within 7-14 days of going under contract. If the appraisal comes in **low** (below the purchase price), you may need to renegotiate the price with the seller, bring additional funds to closing, or even walk away from the deal if a resolution isn't reached. If it comes in **high** (above the purchase price), it means you're gaining immediate equity in the home.

3

Finalize Loan Approval

Continue providing any documents your lender requests. Avoid opening new credit lines or making large purchases during this time—it can derail your approval.

4

Secure Homeowners Insurance

Your lender requires proof of insurance before closing. Shop around for competitive quotes and coverage that protects your investment.

Phase 5: Closing Preparation

Review Your Closing Disclosure

You'll receive your Closing Disclosure (CD) at least three days before closing. This document outlines your final loan terms, monthly payment, and all costs due at closing.

Review every line carefully. Verify that all numbers match what you expected and that there are no surprise fees or terms. Contact your lender immediately if anything looks incorrect.

Conduct Final Walkthrough

Schedule your final walkthrough 24 hours before closing. This is your last chance to ensure the home is in the agreed-upon condition.

Verify that all negotiated repairs were completed, fixtures and appliances are present and working, and there's no new damage. If you find issues, address them before signing.





Closing Day: You're Almost Home!

The big day has arrived. You'll sign documents, transfer funds, and officially become a homeowner. Here's what to expect:

1

Sign Documents

You'll sign the Promissory Note (your loan agreement), Mortgage or Deed of Trust (securing the loan), Deed (transferring ownership), and Closing Disclosure confirming all costs.

2

Transfer Funds

Bring a certified check or arrange a wire transfer for your down payment and closing costs. Personal checks aren't accepted for these amounts.

3

Receive Your Keys

Once the deed is recorded with the county, ownership officially transfers to you. Congratulations—you're now a homeowner!

After Closing: Settling In



Secure Your Home

Change all locks immediately—you don't know who has copies of the old keys. Consider upgrading to smart locks for added security and convenience.



Update Your Address

Notify the post office, banks, employers, and government agencies of your new address. Update your driver's license and vehicle registration within your state's deadline.



Understand Escrow

If you have an escrow account, your lender will manage property tax and insurance payments. Review your annual escrow statements to ensure accuracy.



Set Up Utilities

Transfer or activate electric, gas, water, internet, and trash services in your name. Schedule these before your move-in date to avoid any service gaps.



Organize Documents

Keep all closing documents, inspection reports, and receipts organized. You'll need these for taxes, warranty claims, and when you eventually sell.



Plan Maintenance

Create a home maintenance schedule for seasonal tasks like HVAC service, gutter cleaning, and filter changes. Preventive care protects your investment.

Pro Tips for First-Time Buyers

Learn from experienced homebuyers and avoid common pitfalls with these essential tips:

Protect Your Credit During Escrow

Don't open new credit cards, take out loans, or make large purchases between offer acceptance and closing. Lenders recheck your credit before funding.

Shop Around for Better Rates

Compare at least three lenders and multiple insurance providers. Even a 0.25% difference in interest rate can save thousands over your loan term.

Be Patient with the Process

The typical home purchase takes 30-60 days from offer to closing. Delays happen. Stay flexible and maintain open communication with your team.

Build a Trusted Team

Your success depends on working with experienced professionals—a knowledgeable agent, responsive lender, thorough inspector, and reliable attorney or escrow officer.

Ready to start your home buying journey? I'd love to help guide you through each step with personalized support and expert advice. Let's connect and make your homeownership dreams a reality.

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