Phi Beta Sigma Fraternity, Inc.
Upsilon Sigma Chapter
Financial Wellness Series • Serving Since 1927

First-Time Homebuyer Checklist

A step-by-step path from renting to the keys to your own home.

Buying your first home is one of the biggest wealth-building moves you can make. Work through these steps in order and check each box as you go. Print it, or save a copy and track your progress.

> *Rule of thumb: keep your total housing payment around 28% of your gross monthly income, and the home price near 3–4x your annual income.*

1. Get Financially Ready

- ☐ Pull your credit reports free at AnnualCreditReport.com and fix any errors
- ☐ Raise your score: pay on time and keep card balances under ~30% of the limit
- ☐ Have steady, documentable income (usually 2 years' history)
- ☐ Save your down payment (as low as 3%, ideally more)
- ☐ Save closing costs (about 2–5% of the price)
- ☐ Keep a separate emergency fund — don't drain it to buy

2. Know Your Budget

- ☐ Estimate a comfortable monthly payment (~28% of gross income)
- ☐ Include property taxes, homeowners insurance, HOA, and maintenance
- ☐ Use an online affordability calculator to set a price range
- ☐ Decide the most you'll spend — and stick to it

3. Get Pre-Approved

- ☐ Gather documents (see the list below)
- ☐ Compare 2–3 lenders on interest rate AND fees
- ☐ Get a written pre-approval letter before you shop

4. Explore Loan & Assistance Programs

- Conventional loan — as little as 3% down with good credit
- FHA loan — lower credit/down-payment requirements (3.5% down)
- VA loan — for eligible veterans/service members (often 0% down)
- USDA loan — for eligible rural areas (often 0% down)
- First-time buyer & down-payment-assistance programs — check your state/city housing agency
- ☐ Ask each lender which programs and grants you qualify for

5. Find Your Home

- ☐ Choose a trusted real estate agent
- ☐ List your must-haves vs. nice-to-haves
- ☐ Research neighborhood, schools, commute, and resale value
- ☐ Tour homes and take notes/photos

6. Make an Offer & Close

- ☐ Submit an offer and negotiate
- ☐ Order a home inspection — attend if you can
- ☐ Let the lender complete the appraisal
- ☐ Lock your interest rate
- ☐ Review the Closing Disclosure (compare to your Loan Estimate)
- ☐ Do the final walkthrough
- ☐ Bring funds to closing, sign, and get your keys

Documents You'll Need

- Photo ID and Social Security number
- Recent pay stubs (last 30 days)
- W-2s and tax returns (last 2 years)
- Bank and investment statements (last 2–3 months)
- Proof of any other income; gift letters if applicable

Avoid These Mistakes

- Don't open new credit or make big purchases before closing
- Don't change jobs mid-process if you can help it
- Don't skip the inspection to win a bidding war
- Don't stretch to the top of your budget — leave room for life

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Educational only — not financial, mortgage, tax, or legal advice. Loan terms and assistance programs vary; confirm details with a licensed lender or HUD-approved housing counselor.