



How to Prepare to Buy Your First Home

Thinking of purchasing an affordable home, but you don't know where to start? Review our homebuyer's guide to feel confident in starting your journey to homeownership.

Step by Step Overview

Ten Essential Steps in Buying an Affordable Home

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Check if You are Eligible for Affordable Housing

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Start Your Homebuying Journey!



1. ARE YOU ELIGIBLE FOR AFFORDABLE OR ATTAINABLE HOUSING?

Determine your eligibility to see what assistance you qualify for.

You can take our Buyer Eligibility Survey online, which serves as a pre-screening survey to determine whether you are eligible to purchase affordable or attainable housing. You will be asked:

- If you are a first-time homebuyer
- Your household asset amount
- How many members are in your household
- Your annual household gross income



Buyer Eligibility Survey

Affordable Housing is housing for low-moderate income persons earning up to 80% of Area Median Income (AMI). **Attainable Housing** is housing for families earning up to 100%, 120% or even 140% of Area Median Income.

Our survey tool will prompt you through the income and asset requirements to determine what AMI percentage your household falls within.



A close-up photograph of several credit cards. One card is gold, another is silver, and a third is dark grey. The numbers and logos are embossed on the cards. A green rectangular box is overlaid on the top left of the image.

2. REVIEW YOUR CREDIT SCORE

Your credit score gives lenders an idea of who you are financially.

Your credit score is the **main factor** in the interest rate you will get, which directly impacts your monthly payment.

Not sure what your credit score is? Don't worry, you can review your credit report online for free at www.experian.com or other similar websites. If the number isn't where you want it to be, now is the time to improve your credit.

What Factors Into Your Credit Score?

Payment History - Make payments early or on time.

Total Debt - Keep the percentage of available credit you are using low.

Length of Credit History - The longer credit history you have, the better.

New Credit - Avoid opening several new accounts in a short time.

Credit Type - Vary your credit type to show you can handle different kinds of debt.



A close-up photograph of a person's hand using a black calculator on a desk. In the background, there is a spreadsheet with various numbers and a pen. The image is partially covered by a green overlay on the left side.

3. LOOK AT YOUR BUDGET

Crunch the numbers. Create your plan.

Take the guessing out of what you can afford and **figure it out**. Get specific.

Use a free mortgage calculator online that takes factors like your income, monthly debt, down payment, and location to help you calculate an estimated home price and a monthly mortgage payment that are affordable within your budget.

Mortgage Calculator to Use:

Check with your bank's online services to see if it has a free mortgage calculator. If not, you can find one online.

Please note that your actual monthly payment may include additional costs, such as HOA fees, condo fees, and homeowner insurance, which may not be included in the estimate. Loan terms and mortgage interest rates may vary based on credit score and your individual situation.

Remember to keep personal information private. Do not give out your Social Security Number when using an online calculator.





4. PREPARE YOUR FINANCES

Make your finances **attractive** to lenders.
Stability is the key.

It's good to have consistent income and a low debt-to-income (DTI) ratio. To do so, follow these steps:

Keep Income Consistent: Avoid changing jobs or altering your main source of income right before applying for a home loan.

Monitor Credit Use: Try to keep credit card balances to a minimum

Create Additional Savings: Start saving for more than just the down payment on a home. Keep in mind that closing costs are 2% to 5% of the home price on average. (There are ways you can shrink your closing costs, like applying for first-time buyer assistance programs.)





5. START YOUR “MUST HAVE” LIST

Know what fits your lifestyle best.

It's great to dream big when it comes to your future home, but it's also just as important to **figure out your needs when looking at homes**. How many bedrooms do you need? Will you need a home office? Do you want to live in a walkable neighborhood? Knowing the answers to these types of questions in advance will set you up for success when looking at homes.

As a start, you can think about your current living situation and **ask yourself these questions**:

- How do you feel while in your home?
- What's working for you — and what's not?
- Outside — what do you love, what would you change?
- Your neighborhood — what type do you like?

6. SIGN UP FOR HOUSING

Sign up for notices of available homes and upcoming lotteries.

Staying connected with local affordable housing organizations is essential for first-time buyers hoping to secure an affordable home. These groups help **create and manage affordable and attainable** housing opportunities.

By monitoring their websites, joining mailing lists, and tracking lottery announcements, buyers can be up to date on when an affordable home hits the market.

Follow us on Facebook and Instagram @falmouthhousingtrust to stay informed!

Join Our **Ready to Buy List** - www.falmouthhousingtrust.org. Our **Ready to Buy List** is a fantastic opportunity for those looking to **buy a deed-restricted affordable home**. By signing up, you'll gain exclusive access to notifications from us about homes available for purchase.

Other Organizations to Follow :

- [Housing Assistance Corporation Cape Cod](http://www.haconcapecod.org)
www.haconcapecod.org
- [My Mass Home](http://www.mymasshome.org)
www.mymasshome.org
- [Citizens' Housing & Planning Association](http://www.chapa.org)
www.chapa.org



Scan for
our Ready
to Buy
Application



7. CHOOSE A MORTGAGE LOAN OFFICER

Mortgage Loan Officers explain the details of funding a home purchase.

Think of talking with a Loan Officer as an initial "get to know you" chat to help you choose the right lender.

A Loan Officer Can:

- Educate you about the loan application and approval process.
- Explain the down payment requirements for different loan programs.
- Update you on interest rate trends and how your payment may be affected.
- Help you figure out how much you can spend on buying a home.
- Give estimates of your closing costs.

Once you've picked a loan officer, have him or her **do a deep dive** into your finances. It's better to find out you're in great standing (or need a tiny bit more prep) now rather than when you find a home.

*Please note, government-backed VA or FHA Loans don't typically allow affordable and attainable housing deed restrictions. If you are thinking of a VA or FHA loan, check with your loan officer first about these types of mortgage loans.



8. GET PRE-QUALIFIED & PRE-APPROVED FOR A LOAN



LOAN AGREEMENT

Date of Birth:

Receive an estimate of how much the bank will lend you. Then, receive a pre-approval letter.

A mortgage pre-qualification is a great way to see what price range you're actually in. Note that this is not an official pre-approved mortgage.

What Does Pre-Qualification Consist Of?

In most states, pre-qualification is based on the submission of your income and assets, your estimated down payment, desired loan amount, and possibly a credit check, depending on the lender.

Pre-approval is the real deal. Most lotteries and Ready to Buy programs will require a pre-approval letter.

What You'll Need to Get Pre-Approved for a Loan:

- Two recent W-2s
- Two recent pay stubs
- Two recent income tax returns
- Two months' recent bank statements
- Proof that you have your down payment funds (in some cases)



If you're planning to enter a lottery or buy a home within the next 90 days, it's best to get pre-approved sooner than later. Most pre-approvals are valid for 90 days. You can always renew your pre-approval to restart this clock if needed.



9. IDENTIFY DOWN PAYMENT FUNDS

Estimate **down-payment costs** and identify where they are coming from.

A common misconception is that buyers need a down payment of 20% for their home. Many first-time home buyers get into homes with as little as 3% down. If saving up for a down payment is proving to be challenging, **check if you qualify for down payment assistance**. Your Loan Officer may be able to assist.

You may be eligible for a Down Payment Assistance Program. Organizations that may be able to assist include but are not limited to:

- Mass Housing - www.masshousing.com
- My Mass Home - www.mymasshome.org/down-payment-assistance
- Massachusetts Housing Partnership - www.mhp.net
- Your local municipality's Housing Office - (For the Town of Falmouth, visit: www.falmouthma.gov/1412/Housing)

10. YOU'RE READY TO BEGIN YOUR HOMEBUYING JOURNEY!



It's time to make your “someday” start today!

By taking these steps, you're not just preparing — you're already on your way home. Someday is much closer than you think.



Building Dreams...

We Are Here to Help!

For additional resources, please visit the Falmouth Housing Trust website at www.falmouthhousingtrust.org.

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