

Buying Your First Home

Understand the process. Compare the costs. Plan your next step.

What does buying a home involve?

Buying a home involves choosing a property, arranging how to pay for it, reviewing its condition, and completing legal and financial steps to transfer ownership. Families may weigh ownership alongside renting or other housing arrangements based on their own priorities, finances, and circumstances.

The process at a glance

- 1 **Review your household finances.**
Consider income, existing debts, credit history, savings, regular spending, and room in the budget for unexpected costs.
- 2 **Explore financing and assistance.**
Compare mortgage products and lenders. Ask about down-payment and closing-cost assistance programs, eligibility, repayment requirements, and whether homebuyer education is needed.
- 3 **Compare mortgage offers.**
A Loan Estimate lists key loan terms and costs. Compare loan amount, interest rate, annual percentage rate (APR), monthly payment, mortgage insurance, closing costs, and cash needed at closing.
- 4 **Explore homes and neighborhoods.**
Consider property condition, size, location, transportation, accessibility, schools if relevant, and household priorities. Review available property disclosures and consider a professional home inspection.
- 5 **Review the purchase and closing details.**
Contracts may include deadlines and contingencies. Before closing, review the Closing Disclosure, which lenders must provide three business days before closing, confirm funds needed, and ask questions about any differences from earlier estimates.

Know the different costs

▲ Upfront costs:

Down payment, earnest money or deposit, inspection or appraisal costs, closing costs, moving costs, and initial repairs or furnishings. Some are payable before closing.

● Ongoing costs:

Mortgage principal and interest; property taxes; homeowners insurance; possible mortgage insurance and association dues; utilities, maintenance, and repairs.

◆ Mortgage vocabulary:

A fixed-rate loan generally keeps the interest rate constant; an adjustable-rate mortgage can change according to its terms. APR includes certain borrowing costs beyond the interest rate. Escrow may collect property tax and insurance payments with the mortgage payment.

What should families know? A 20% down payment is not required for every mortgage, but smaller down payments may affect loan options, mortgage insurance, and total costs. Mortgage approval does not determine what monthly housing expenses will feel manageable for your household. A HUD-approved housing counselor can help explain options, often at little or no cost.



My Homebuying Planning Worksheet

Use this personal worksheet to collect questions, compare possibilities, and plan next steps. It is not a loan application or affordability determination.

1 What matters to our household?

- | | |
|---|---------------------------------------|
| ☐ Location/commute | ☐ Space/layout |
| ☐ Accessibility | ☐ Monthly cost |
| ☐ Maintenance | ☐ Other: _____ |

Top three priorities:

1. _____
2. _____
3. _____

2 Our cost-planning snapshot

Monthly housing amount we want to explore: \$ _____

Savings we may use for upfront costs: \$ _____

Funds we want to keep available for emergencies: \$ _____

Estimated taxes, insurance, dues, utilities, and upkeep: \$ _____

3 Questions to ask a lender or counselor

- | | |
|---|--|
| ☐ What loan types and assistance programs might we be eligible to explore? | ☐ Could the interest rate or payment change? |
| ☐ How much cash would we need before and at closing? | ☐ Are there mortgage insurance charges or prepayment penalties? |
| ☐ What is included in the monthly payment—and what is paid separately? | ☐ What does the Loan Estimate show about total costs? |

Additional questions: _____

4 Compare two possible loan offers

Compare	● Offer A	◆ Offer B
Interest rate / APR		
Monthly payment (and exclusions)		
Cash to close		
Loan term / rate type		

5 My next step

Person or organization to contact: _____

Next action: _____

Follow-up date: _____

Learn more from trusted sources

CFPB — Your Home Loan Toolkit

<https://www.consumerfinance.gov/owning-a-home/explore/home-loan-toolkit/>

CFPB — Closing Disclosure Explainer

<https://www.consumerfinance.gov/owning-a-home/closing-disclosure/>

CFPB — Compare Loan Estimates

<https://www.consumerfinance.gov/owning-a-home/compare/compare-loan-estimates/>

HUD — Find Housing Counseling

<https://www.hud.gov/counseling>

Explore further with OH FAMILY

<https://www.ohfamilyinc.org> — Browse housing and family financial resources.

About this guide

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Disclosure: This guide is for general educational purposes, not individualized mortgage, legal, tax, or financial advice, and does not recommend buying rather than renting. Loan terms, assistance programs, eligibility, closing practices, and housing laws vary. Confirm details with relevant agencies and qualified professionals before making decisions.