

So you've decided that now's the time to take the plunge and buy a home. There are a few steps you'll need to take to make your dream become a reality. Freedom Mortgage will help you. Use this checklist as a guide to help you stay organized and prepare for all of the steps in the process. Before you start looking for a home, doing some pre-planning ahead of time is a good use of your time.

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## **GET ORGANIZED**

- ☐ **You have a steady income.** You need to show proof of income for a period of time. You'll need W-2s, pay stubs, tax returns, etc.
  - ☐ **You have money in the bank.** Make sure you have enough for a down payment and other expenses. The money you put down up front affects the cost of the loan. This can also have an impact on your rate and the need for Private Mortgage Insurance (PMI).
  - ☐ **Get a free credit report.** It's a good idea to know your credit score before you apply for a loan and ensure everything is accurate. You can get a free annual credit report through [annualcreditreport.com](https://annualcreditreport.com).
  - ☐ **Research neighborhoods.** Check out locations where you may want to buy and talk to friends and family for real estate broker/agent referrals to start your home search.
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## **HOME WISH LIST**

- ☐ **Create a list of wants and needs for your new home.** Narrow down what you want in a home. You may not find all the things on your wish list in one home, but rank your list by order of importance, which may help make the decision easier. Here are some features to consider:
- ☐ **Single family home or condo/co-op**
- ☐ **# of bedrooms/bathrooms**
- ☐ **Yard**
- ☐ **Garage**
- ☐ **Finished basement**
- ☐ **Fenced-in yard**
- ☐ **Close to parks**
- ☐ **Schools**

## FIGURE OUT FINANCES

- ☐ **Check your credit.** Lenders will look at your credit score to determine your ability to make payments. Pay down debts if you can. Opening new credit lines or making major purchases prior to submitting your loan application may impact the process.
  - ☐ **Figure out a down payment.** For a conventional loan, you'll need to have 20% of the home's cost as a down payment to avoid paying Private Mortgage Insurance (PMI). If you're a veteran and eligible for a VA loan, you don't need a down payment to avoid PMI. Check our affordability calculator to help you determine a down payment.
  - ☐ **Calculate an expense fund.** Make sure you have some money left in the bank for emergencies, repairs, or improvements you might want to make to your new home.
  - ☐ **Check rates.** Do your research and look at the market to understand current interest rates. Use our affordability calculator to estimate what your monthly mortgage payment will be. This may help you create a monthly budget for your new home.
  - ☐ **Get pre-approved for a loan.** A pre-approval will help real estate brokers/agents understand how much home you can afford. It also lets them know you are a serious buyer.
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## GATHER DOCUMENTS

**(this is a necessary and important part of the application process)**

In certain circumstances, alternative documentation can also be used in to evaluate creditworthiness. Ask your Loan Advisor for further information.

- ☐ Gather your proof of employment and income (pay stubs, tax returns)
- ☐ Print your 401K, savings and financial statements
- ☐ Document your history, including past jobs and home addresses

## START YOUR SEARCH

- ☐ **Narrow down your target location for your home.** Figure out the towns and communities you want to pursue. Look into schools, houses of worship, accessibility to shopping and your commute before you make your decision.
  - ☐ **Look at Multiple Listing Service (MLS) and home buying sites.** Search online to get a sense of what types of homes are available in the locations you're interested in.
  - ☐ **Find a real estate broker/agent.** Get recommendations and do your research to find a real estate broker/agent who is reliable and understands your needs and budget.
  - ☐ **Ask family and friends for input and advice.** Talk to family and friends and ask their opinions on the areas you are researching, to find the right fit.
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## SECURING THE HOME AND LOAN

- ☐ Make an offer
- ☐ Lock in your rate
- ☐ Schedule a home inspection
- ☐ Secure homeowner's insurance
- ☐ Close and get the keys!
- ☐ Move in day!

## NOTES AND REMINDERS