From Credit to Closing: What Every First-Time Home Buyer Needs to Know

A Financial Wellness Workshop Hosted by

AMERICA SAVES

VETERAN SAVES



THE AGENDA:

- **Determining** if homeownership is right for you right now
- **Understanding** and improving your credit when it comes to home buying
- **How** the VA loan works and when to use it
- **What** pre-approval really means
- **Budgeting** for all the costs of homeownership
- **Navigating** the closing process
- **What to do** if you’re not ready yet
- **Free tools** and resources that support your journey

IS BUYING A HOME RIGHT FOR YOU RIGHT NOW?

Pause. Reflect. Prepare.

Questions to Ask Yourself:

1. Can I afford all the costs of homeownership—mortgage, taxes, insurance, maintenance?
2. Do I have an emergency fund to cover unexpected expenses after moving in?
3. Am I planning to stay in one place for 3–5 years?
4. Will buying delay other financial goals like paying off debt or saving for retirement?

Veteran Insight:

- VA loan benefits are powerful—but timing matters.
- Make decisions based on your civilian income and long-term plans, not BAH or military routines.

Reality Check:

Even with no down payment, homeownership comes with upfront costs:

- **Closing fees**
- **Moving expenses**
- **Repairs**

Know Your Credit Before You Buy

Quick Facts:

- You have 3 credit reports (Experian, Equifax, TransUnion) — check them all at annualcreditreport.com
- You have multiple scores — most lenders use FICO, but VantageScore is growing

What To Look For:

- Late payments or defaults
- Unknown accounts (possible fraud)
- High balances or inaccurate info

Tips To Improve Your Score: Pay on time, keep balances low, don't close old accounts, and fix any errors or negative marks.

Avoid Credit Traps: Avoid store cards, untracked Buy Now Pay Later balances, and early co-signing.

THE VA LOAN ADVANTAGE

Key VA Benefits:

- No down payment required
- No mortgage insurance
- No prepayment penalties

What Many Don't Know:

- You can use the VA loan benefit multiple times
- It can be used after foreclosure (in some cases)
- You can use it to refinance or buy a multifamily home (live in one unit)

Questions to Ask Your Lender:

📌 **How often do you work with VA loans?**
📌 **What fees should I expect? (VA limits lender fees to 1%)**
📌 **Am I exempt from the VA funding fee?**
📌 **Can you help calculate my remaining entitlement?**.

Check out our downloadable list of smart questions to ask your lender—so you walk in prepared and confident.



Pre-Approval vs. Pre-Qualification

Pre-Qualification

- Estimate only
- Based on self-reported info
- Quick and easy
- Not verified by lender

Why It Matters

- Shop with real numbers
- Boosts negotiation power
- Helps you close faster
- Valid 60–90 days

Questions to Ask Your Lender

✓ How long is my pre-approval valid?
✓ Is this rate locked?
✓ Does this include taxes, insurance & HOA?
✓ What's the full monthly payment?
✓ Are there any fees or points?
✓ What if I buy for less—do terms change?

But: Lenders don't factor in your full life—you know your real budget

Pre-approval

- Verified by lender (W2s, credit, bank statements)
- Stronger offer to sellers
- Shows you're ready to buy

🎯 Don't stop at one offer—compare 2–3 lenders to save money over time.

Budgeting Beyond The Mortgage

💸 **Hidden Costs to Plan For:**

- Property taxes
- Homeowners insurance
- Utilities & internet
- Maintenance & repairs
- HOA fees (if any)
- Lawn care, furniture, appliance upgrades



🎖️ **Veteran Tip:**
Off-base homes often mean more space—and higher bills. Plan ahead.

📊 **Budget Rule Example:**

Mortgage: $1,500 → Add 30% ($450) → Total: $1,950/month

✅ **Get Ready by:**

- “Practicing” the full payment
- Cutting extras or boosting income
- Don’t dip into your emergency fund

The Closing Process

🏠 **Insurance Tip:**
Get 2–3 quotes, compare deductibles & coverage

💰 **Closing Costs:**
Budget 2–5% of home price
Negotiate lender/title fees & ask seller to help

📄 **Disclosure Check:**
Review 3 days before closing
Flag unexpected charges or errors

🚶 **Final Walk-Through:**
Do it 24–48 hrs before to catch issues

📅 **Tip:**
Close at month's end to save on interest

If You're Not Ready Yet

💡 **Pause with Purpose:**

- Waiting to buy? That's a smart move — not a setback.

📈 **Get Prepared:**

- Start a down payment fund (automate savings)
- Track credit monthly (watch for errors, improve score)
- Try a "mock" homeowner budget with full expenses

🎓 **Get Informed:**

- Take a HUD-approved first-time buyer class
- Listen to our podcast: "Renting, Buying & Everything in Between"

🎖️ **For Veterans:**

- Request your VA Certificate of Eligibility early

TAKE ACTION

- Take the Savings Pledge today and choose Homeownership as your savings goal!
- Visit VeteranSaves.org for military and for civilians AmericaSaves.org
- All resources and links are available under this video

Thank you for being a part of today's workshop!
Resources in Today's Workshop are available in the videos notes.

For additional questions and support, please reach out to the Veteran Saves Team at save@americasaves.org.