THE FIRST-TIME BUYER'S GUIDE

Nobody TOLD ME THIS
BEFORE BUYING
my first home.

Buying your first home feels like everyone else got a handbook you never received. **Here it is** — the 3 things every first-time buyer should know before they ever start house hunting.

3 Three myths that quietly keep people renting longer than they need to — and what's actually true.

MOST OF WHAT YOU'VE HEARD ABOUT BUYING IS WRONG.

Not on purpose. It's just that the people who gave you advice — parents, coworkers, that one friend — bought their homes in a different decade, under different rules, with different loan programs.

The "facts" everyone repeats about down payments, credit scores, and timing are often a decade out of date. And believing them has a real cost: every year you wait because of a myth is a year of rising prices and rent you'll never get back.

This guide is short on purpose. Three myths, the truth behind each one, and exactly what to do next. Read it in ten minutes. It could change when — and whether — you buy.

10%	21%	40
TYPICAL FIRST-TIME BUYER DOWN PAYMENT	OF TODAY'S BUYERS ARE FIRST-TIMERS	MEDIAN AGE OF A FIRST-TIME BUYER

Source: National Association of REALTORS®, 2025 Profile of Home Buyers and Sellers.

HOW TO USE THIS GUIDE

Each of the next three pages follows the same simple shape:

1. **The myth** — what you've probably been told.
2. **The truth** — what's actually the case today.
3. **Your move** — the practical next step you can take.

A note before we start: the dollar examples in this guide (home prices, payments, and down payment amounts) are illustrations to show how the math works. Your real numbers depend on your situation, your location, and current rates — which is exactly why the last page shows you how to get your own.

1 YOU DON'T NEED 20% DOWN.

THE MYTH

"I need to save 20% of the price before I can even think about buying. Until then, I'm stuck renting."

This is the single most expensive myth in real estate — because it adds years to your timeline that you may not actually need.

THE TRUTH

Plenty of loan programs let qualified buyers put down far less than 20% — some as little as 3%, and a few require nothing down at all.

What's actually available

- **Conventional loans** — as little as 3% down for qualified first-time buyers.
- **FHA loans** — 3.5% down, with more flexible credit requirements.
- **VA loans** — 0% down for eligible veterans and service members.
- **USDA loans** — 0% down in many suburban and rural areas.

On a $300,000 home, 20% down is $60,000 — but at 3.5% down it's just $10,500. That gap is often the difference between buying this year and waiting five more.

Don't overlook down payment assistance (DPA). Many states, counties, and lenders offer grants or low-interest second loans to help cover your down payment and closing costs — often aimed squarely at first-time buyers. It's one of the most underused ways to get into a home sooner, so always ask what you qualify for. **And about PMI:** putting less than 20% down usually means private mortgage insurance, but it's typically a modest monthly amount that can be removed once you build enough equity.

YOUR MOVE

Ask a loan officer two questions: the lowest down payment you qualify for, and what assistance programs exist in your area.

2 PERFECT CREDIT ISN'T REQUIRED.

THE MYTH

"My credit isn't perfect, so there's no point applying. They'll just turn me down."

"Not perfect" and "not qualified" are two completely different things — and confusing them keeps a lot of ready buyers on the sidelines.

THE TRUTH

Many loan programs work with credit scores well below what people assume. A higher score often earns a better rate — but you don't need an 800 to get approved.

What your score actually affects

Your score usually influences your interest rate more than a simple yes/no. A higher score generally helps, but how much depends on the loan program — some government-backed programs price less aggressively by score than conventional loans do. The goal isn't perfection; it's knowing where you stand for the program that fits you.

THREE THINGS THAT HELP MORE THAN YOU'D EXPECT

- ✓ **Paying down credit card balances.** Lowering how much of your limit you use can lift your score quickly.
- ✓ **Not opening new accounts before applying.** Each new application can ding your score temporarily.
- ✓ **Checking your report for errors.** Mistakes are common — and disputing them is free.

Check your credit for free — and don't pay for it. You're entitled to free reports from all three bureaus at **AnnualCreditReport.com**, the only federally authorized source — skip the paid "monitoring" sites. One note: a free consumer-app score can differ from the mortgage-specific scores lenders use, so ask your loan officer what your mortgage scores are.

YOUR MOVE

Pull your free reports at AnnualCreditReport.com, then ask a loan officer what you qualify for.

3 WAITING MAY COST MORE THAN YOU THINK.

THE MYTH

"I'll just wait until rates drop, then I'll buy. Renting a little longer is the safe choice."

It feels safe. But waiting isn't free — it has a price tag most people never add up.

THE TRUTH

While you wait for a better rate, two things usually keep moving against you: home prices and the rent you're paying someone else.

The two hidden costs of waiting

1. **Rising prices.** If home values climb even 4% in a year, a $300,000 home becomes a $312,000 home. The "deal" you waited for got more expensive.
2. **Rent that builds nothing.** Every month you rent is a payment toward your landlord's equity instead of your own.

The cost of waiting, by the numbers: NAR estimates that buying at 40 instead of 30 can mean roughly **$150,000** in lost equity over a lifetime on a typical starter home. The median first-time buyer is now 40 — a record high. Time in the market is its own kind of head start.

REMEMBER THIS

MARRY THE HOUSE. DATE THE RATE.

Here's the part that reframes everything: **you can refinance your rate later if rates drop.** What you can't change is the price you paid for the house. Buy the right home at today's price, and you can always revisit the rate down the road.

YOUR MOVE

Compare your real numbers side by side: total monthly cost to own versus what you're paying in rent, with likely price growth factored in. Run it this week, not "someday."

Your head start

THE FIRST-TIME BUYER CHECKLIST

You don't have to do all of this at once. But working through these in order will put you miles ahead of where most buyers start.

- [ ] **Check your credit — all three bureaus.**
  Know your real starting number and fix any errors you find.
- [ ] **Add up your monthly debts.**
  Car payments, student loans, credit cards — this drives what you can afford.
- [ ] **Figure out your comfortable monthly payment.**
  Not the maximum a lender allows — the number that lets you sleep at night.
- [ ] **Estimate what you could afford.**
  Use a real calculator before you fall in love with a listing.
- [ ] **Explore down payment programs.**
  Conventional, FHA, VA, USDA, and local first-time buyer assistance.
- [ ] **Get pre-approved before you shop.**
  It tells you your true budget and makes your offers far stronger.
- [ ] **Talk to a loan officer with your questions.**
  One honest conversation answers more than hours of online guessing.

ALREADY DONE A FEW OF THESE?

Then you're closer than you think. The next page shows you the two fastest ways to turn this checklist into a real plan.

Ready when you are.

LET'S FIND YOUR NUMBER.

You've got the three things nobody told you. The next step is turning them into **your** numbers — what you could afford, what you'd qualify for, and what your path home actually looks like. No pressure, no obligation.

TALK TO A LOAN OFFICER ›

START YOUR APPLICATION ›