First-Time Home Buyer Guide:
Step-by-Step From Preapproval to Closing

Buying your first home is exciting, but it can also feel overwhelming if you don't know what comes next. That is why I help buyers navigate the home buying process with clarity, confidence, and a focus on making the experience as smooth as possible.

This guide breaks everything down step by step so you know what to expect. You don't need to master every detail. That's what your agent ( ) is here for. But if you like feeling prepared, this guide is for you.

REALTY LEADERS

Don't hesitate to reach out with questions anytime! I'm your NH Real Estate Resource.

From your NH REALTOR,

Julia Morgan

Timeline Snapshot

Typical 30-45 Day Timeline

Week 1: Under Contract & Due Diligence

Submit earnest money
Schedule home inspections
Lender orders appraisal
Title search begins
Submit any requested documents to your lender

Week 2: Inspections & Negotiations

Review inspection report
Negotiate repairs or credits (if needed)
Appraisal completed
Continue providing documents to lender

If the appraisal is low, this is when that's typically negotiated.

Week 3: Loan Processing

Underwriting review
Title work continues
Appraisal reviewed by lender
Conditional loan approval issued

!

Quick responses to lender requests for more documents keep your closing on schedule.

Week 4: Final Loan Approval

Clear to Close issued
Receive Closing Disclosure
Confirm final cash-to-close amount
Schedule wire transfer

Now is the time to make sure all closing funds are available for transfer

Closing Week

Sign documents
Funds transfer
Deed records

We will do a final walkthrough of the property 24 hrs before closing to make sure everything is in order.

That timeline might feel like a lot at first, but don't stress.
Let's walk through it step by step.

Step 1: Get Preapproved *(or at Least Prequalified)*

Before touring homes or submitting offers, your first step is speaking with a lender.

Prequalification

- Based on information you provide
- No deep credit or income verification
- Provides a rough price range
- Helpful for early planning

VS

Preapproval

- Lender verifies income, assets, and credit
- Results in a written approval letter
- Required for submitting offers in most markets
- Stronger position in competitive situations

Know your budget!

Just because a lender approves you for a certain number doesn't mean that number fits comfortably into your lifestyle. You'll want to consider heating costs, utilities, commuting expenses, groceries, savings goals, and everyday spending. At the end of the day, you know your financial comfort level better than anyone.

Prepare for upcoming costs

Have savings ready for inspections (paid at the time of service) and for closing costs. Don't worry! We'll go into detail later in this guide, so you'll know exactly what to expect and how much money to plan for before closing.

Step 2: Tour Homes With Your REALTOR

Once you're preapproved, it's time to choose a REALTOR and start touring homes.

$0 To buyer (Typically)

How much does a REALTOR cost?

In most transactions, a buyer's agent does not cost you directly. Buyer representation is typically compensated by the seller as part of the overall transaction. Before you move forward, your agent will clearly explain how compensation works so there are no surprises!

What does a REALTOR do for you when buying?

- Explains pricing and market conditions
- Guides you through offers and negotiations
- Helps you spot potential issues
- Keeps your transaction organized and on track

You'll tour homes until you find the one that feels right. There's no set number, some buyers find it quickly, others take time.

NH tip: Inventory can move fast in many parts of New Hampshire, so being ready to act is key.

Important Tip:

Try not to tour homes outside your budget or before you've confirmed your comfortable price range. Falling in love with a home that isn't financially realistic can be an unnecessary heartbreak.

Q&A

Do I need my REALTOR to join me at an open house?

No, but I'm always happy to join you. Just send me a quick text.

Step 3: Submit Offer *(Including Earnest Money)*

When you're ready, your agent will help you submit an offer outlining price, terms, timelines, and contingencies.

What Is Earnest Money (EMD)?

Earnest Money Deposit (EMD) is a good-faith deposit that shows the seller you're serious about buying the home. It's held in escrow (either by the selling agent's office, or by the title company) and later applied toward your down payment or closing costs.

How Much Does Earnest Money Cost?

- Typically 1–3% of the purchase price
- Varies by market and situation
- Fully negotiable

This is why timelines and contingencies matter.

Your agent's job is to help you stay protected.

Warning

If you back out outside of a protected contingency reason (inspections, appraisal, financing) or outside of contract protections, the seller may be entitled to keep your earnest money

What is included in an offer?

Purchase price
Earnest money amount
Loan type
Requested closing date
Inspection contingency
Appraisal contingency
Financing contingency
Requested seller concessions
Included/Excluded Items (appliances, light fixtures, etc.)
REALTOR's compensation
Additional items

A strong offer balances price, terms, and protection, not just the highest number.

Step 4: Title Search, Inspections & Appraisal

After your offer is accepted, several important steps begin at the same time.

Title Search (Required) ~$300-800

A title search confirms:

- The seller legally owns the home
- There are no unpaid liens, judgments, or ownership issues
- Ownership can transfer cleanly to you
- They handle all transfers of funds at closing

Home Inspection: What If It "Fails"? ~$500–$1,200+

An inspection isn't a pass-or-fail test. It's your opportunity to learn everything about the home before you own it. While not legally required, inspections are highly recommended.

This is your chance to:

- Ask questions
- Understand major systems
- Plan for future maintenance

If concerns arise, buyers can request repairs, ask for a credit, renegotiate, or walk away based on contract terms.

Appraisal: What if it's low? ~$500-800

An appraisal determines a house's value and is required to meet the sales price if financing. If it is low, both parties can...

- Renegotiate the price
- Bring additional funds to cover the difference
- Terminate the contract (if protected by contingency)

Important to know:

Depending on your loan type, certain repairs may be required for financing approval. These are health, safety, or structural-related items and are often repaired by sellers.

Step 5: Closing Day

Closing is the final step where ownership officially transfers to you.

There is typically a 24hr walkthrough of the property prior to closing to make sure everything is in order. Closing is usually done in person with buyers, sellers, and both agents at one of the agent's offices or at the title company's office.

How Soon Will We Close?

Typically 30-45 days after the offer is accepted. Time varies depending on financing, inspections, and title work. The actual date is listed on your purchase and sale and can be extended if necessary.

How Much Cash Do I Need to Close?

Typically 2-5% of the purchase price to cover:

- Lender fees
- Title services
- Appraisal
- Prepaid taxes and insurance

Your lender will provide a Closing Disclosure before closing so you know the final numbers in advance.

PLUS your down payment (FHA minimum 3.5%, Conventional often 3–5%, VA 0% for eligible buyers).

MINUS the earnest money deposit you already put down with your offer.

How Does My REALTOR Get Paid?

In most real estate transactions:

- The seller pays the real estate commission
- Your buyer's agent is compensated from that amount
- There is typically no direct out-of-pocket cost to you for buyer representation

This will always be explained clearly before you move forward.

Congratulations! You're Officially a Homeowner

First-Time Home Buyer Planning Worksheet

Map Out Your Goals Before You Start Shopping

Why do I want to buy a home?

When would I ideally like to move?

- ☐ ASAP (0–3 months)
- ☐ 3–6 months
- ☐ 6–12 months
- ☐ Just planning ahead

Target move-in month:

Home Criteria:

Let your REALTOR know exactly what to look out for

Town(s)/location:

Commute to ____ **in under** ____ **minutes**

☐ Min. Bedrooms
☐ Min. Bathrooms
☐ Min. sq ft
☐ Min. Acreage

- ☐ Garage
- ☐ Single Level
- ☐ Basement

What features am I looking for in this home?

Necessary	Extras

My Budget Comfort Zone

Know your limits before touring homes!

Preapproval Complete? Y/N.   Preapproval amount: $ ________

Maximum monthly payment I feel comfortable with: $ ________

Monthly payment should include:

- Principal & Interest
- Property Taxes
- Homeowner's Insurance
- HOA (if applicable)
- Utilities
- Maintenance

What monthly payment feels safe (not stressful)?

$ ________

Financial Readiness Checklist

What to do   and NOT to do   before closing

☐ **Stable employment**
- Lenders review employment stability/history
- Leaving/losing job mid transaction may result in losing financing.

☐ **Credit score reviewed**
- Lenders have different minimum scores depending on your loan type.

☐ **Savings for inspections & appraisals**
- These are both paid prior to being completed. Keep reading to see costs.

☐ **Savings for closing costs**
- Follow along to estimate closing costs

☐ **Emergency fund after closing**
- Not necessary, but recommended in case a surprise repair occurs after closing

Avoiding new debt before closing
- Opening a new credit card, car loan, or increasing existing credit card balances may result in losing your financing

Questions For My Lender

Your lender is your resource

Recommended Questions:

1. What different loan options am I pre-approved for? (FHA/Conventional/VA)
2. Do you offer discount/buydown points to lower my interest rate and how much would the available options change my monthly payment?

My Questions:

Questions For Showings

Know what to ask/look for during your showing (your agent investigates the entire property for you)

Recommended Questions:

1. Is there anything that would be a problem during the inspections or appraisal considering my financing?
2. What is the age of all utilities? (This will be on the property disclosure completed by the seller, if known)
3. How is the heating and insulation efficiency (it gets awfully cold in NH)
4. What are current HOA fees, rules, and property taxes?
5. Where are the lot boundaries and are there any easements?
6. Is the road publicly maintained?

My Questions:

Estimated Cash Needed

Don’t hesitate to ask your agent for help preparing

Down Payment:

Loan Type: Cash / FHA / Conventional / VA

Purchase price goal: $

Down payment %: (FHA minimum 3.5%, Conventional often 3–5%, VA 0% for eligible buyers. Down payments under 20% usually include PMI which increases your monthly payment.)

Estimated down payment: $

Earnest Money:(1-3%)

Estimated Purchase Price: $

1-3% of estimate: to

Inspections($500-1,00):

Paid before inspection is done

Planned budget: $

Appraisal ($500-$700):

Planned budget: $

Closing Costs (2-5%):

Estimated purchase price: $

2–5% estimate: $

Totals:

Inspection/Appraisal: $

Earnest Money (credited back): $

Prior to closing

Down Payment: $

Closing Costs: $

At closing

Estimated Cash Needed

Don’t hesitate to ask your agent for help preparing

Paid Before Closing

Earnest Money Deposit:(1-3%)

Estimated Purchase Price: $

*EMD is credited back to your costs at closing

Estimated 1-3% Range $ ______ **to $** ______

Inspections(~$500-1,200+):

Planned budget: $

Appraisal (~$500-800+):

Planned budget: $

Totals:

EMD + Inspection + Appraisal = Cash pre-closing

Due at Closing

Closing Costs: (2-5%)

Title search/insurance, lender fees, credit report, recording fees, prepaid property taxes & homeowner’s insurance, and initial escrow deposits.

Estimated purchase price: $

Estimated Closing Costs (2-5%): $

Down Payment:

(FHA minimum 3.5%, Conventional often 3–5%, VA 0% for eligible buyers. Down payments under 20% usually include PMI, which increases your monthly payment.)

Down Payment %: ______ **Down Payment $:** ______

Totals:

Down payment + Closing Costs - EMD = Cash at close

When it comes to the financial details of your purchase, your lender is your best resource. They can walk you through interest rates, projected monthly payments, PMI, down payment options, discount points, and provide a personalized estimate of your closing costs.

Thank you for using this guide!

I look forward to helping you navigate your home purchase.

Every buyer approaches the process differently. Some prefer to stay hands-off and trust their agent to handle the details. Others want to understand every step and feel fully prepared.

No matter which type of buyer you are, my goal is the same: to guide you with clarity, organization, and steady communication from start to finish.

If you have questions that weren't answered in this guide, I'm always here to help.

Buying your first home is a big milestone.
I'd be honored to help you through it.

From your NH REALTOR,
Julia Morgan

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