guaranteed Rate AFFINITY

THE ULTIMATE GUIDE TO BUYING YOUR FIRST HOME

WELCOME HOME!

Buying your first home is exciting **and** life-changing. You're about to make what is likely the biggest financial decision of your life, and we're here to help you every step of the way.

HOW THIS GUIDE WORKS

Guaranteed Rate Affinity's Ultimate Guide to Buying Your First Home is designed to simplify what can be a daunting, complex process.

We'll break down each step by answering two simple questions:

What is it?

What do I need to do right now?

You can read our Guide front to back and get an overview of the whole experience. Or you can pick it up at each section as you arrive at that stage of the process. Use the Table of Contents to find what you need.

Either way you use this Guide, we hope you find it helpful on your homebuying journey.

GOOD LUCK!

STEPS TO BUYING YOUR FIRST HOME

- ☐ Calculate what you can afford
- ☐ Make sure you're mentally and emotionally ready
- ☐ Get pre-approved
- ☐ Choose a real estate agent you trust
- ☐ Decide what kind of home you want
- ☐ Find your home
- ☐ Make an offer
- ☐ Schedule a home inspection
- ☐ Adjust your offer if the inspector finds issues
- ☐ Choose a lender and the loan type that works for you
- ☐ Apply for a loan
- ☐ Find homeowners insurance
- ☐ Close on the loan
- ☐ Get your keys
- ☐ Move in!

Find out all the details to each of these steps inside our Guide.

ARE YOU READY TO BUY A HOME?

While you might be anxious to finally grab those keys and make a home your own, first ask yourself if you're ready.

That's not simply a question about your finances, though obviously that's a big part of it. It's also being mentally ready for the responsibility of owning a home.

BEING PREPARED FINANCIALLY

WHAT IT IS

Do you know what you can and can't afford?

Once you've done the necessary prep work, you'll know what your monthly budget would look like once you stop paying rent and start paying a monthly mortgage, plus all the expenses that will be your responsibility as a homeowner.

WHAT YOU NEED TO DO

Calculate your monthly budget

Step 1. Add up your monthly finances

Take your after-tax earnings (called disposable income), add up your payments and outgoing costs (living expenses), subtract the latter from the former, and voilà! This shiny new dollar figure (discretionary income) is a good start to figure out what you can afford.

Step 2. Figure your housing expenses

Instead of paying rent, you'll be paying a mortgage. There are more monthly expenses you'll need to account for, like property taxes and homeowner's insurance.

Step 3. Add in the extras

You're already aware that you'll need to budget for your home's gas, electric and water. But owning a home comes with expenses that you've never had to worry about. As a renter, it's a pain when water pipes burst, the A/C goes out or the roof starts leaking, and any other mishap occurs—but it's your landlord who deals with them.

When you're the homeowner, you're now responsible.

You'll need to have emergency funds to account for unexpected problems, so plan on setting aside $100 to $200 each month for...whatever.

Add up all your expenses to figure out how much home you can afford based off of your monthly budget. This exercise ought to give you an idea of how much of your disposable income you can commit to owning a home.

BEING PREPARED EMOTIONALLY

WHAT IT IS

There are many reasons to buy a home, but since this is the biggest financial decision that you've likely ever made, you want to make sure you're buying for the right reasons and that you're prepared for the responsibilities of homeownership.

WHAT YOU NEED TO DO

Embrace the benefits of homeownership

While renting might be the right choice sometimes, over the long-term, homeownership offers benefits you can't find anywhere else, like:

Never throwing away money on rent

Your monthly mortgage payments actually help strengthen your financial future. As you steadily pay down your mortgage, you also build up home equity.

Enjoying fixed housing expenses

If you opt for a fixed-rate mortgage (more on this later), you can rest easy knowing that your costs will remain the same for years, maybe decades.

Personalize your property

Being a homeowner means you have the freedom to create a home that reflects your unique taste and preferences, and are free to paint, landscape and renovate.

Putting down roots in a community

Buying a home helps you connect to a specific neighborhood and community. Volunteer in community organizations, sponsor block parties, get involved at school... Anything you do to benefit your community can also indirectly help raise your home's value.

Be prepared for the responsibility.

As a homeowner, you're in charge of the upkeep of your property and fixing anything that breaks. That includes daily, weekly, monthly and yearly maintenance inside and outside of your home. You don't need to be a skilled handyman, but you do need to be a problem solver and stay ahead of issues before they become problems.

SEARCHING FOR A HOME

Ready to buy a home now?
Let's get started.

FIRST, GET PRE-APPROVED

PRE-APPROVAL CHECKLIST

These are the primary documents you'll need for a pre-approval:

- Tax returns
- Copies of W-2s (or 1099s for independent contractors, freelancers and the self-employed)
- Payroll stubs
- Bank statements
- Loan obligations like student and auto loans and credit cards

WHAT IT IS

Pre-approval is a game-changer. It is a letter from a lender saying that they have evaluated your finances and are tentatively willing to lend to you. It shows sellers you mean business. You've done your research; you know your budget and you're ready to plunk down some serious cash on a brand-new home.

More than that, a pre-approval shows a seller that you've spoken with a lender and you have a crystal clear idea of the loan you'll likely be approved for.

WHAT YOU NEED TO DO

For most lenders you can start either with an online application or speak to a loan officer. An official mortgage application will supply your lender with the necessary documentation to perform an extensive check on your financial background and current credit rating.

Online mortgage applications, like Guaranteed Rate Affinity's Digital Mortgage, make the collection of this information simple and seamless. If you haven't found a home yet and the application is asking for details about the property, you can probably leave that blank.

Pre-approvals come with an expiration date, usually 60 to 90 days after being issued. You can also ask your loan officer if you can lock your rate in case mortgage rates increase while you're shopping. That lock can last anywhere from 15 to 60 days.

PowerBid Approval from Guaranteed Rate Affinity*

The basic formula of pre-approval remains similar from lender to lender. A lender reviews your credit report and financial information to determine your approved loan amount.

But to compete in today's tight real estate market, you need every advantage you can get to stand out. With a PowerBid Approval from Guaranteed Rate Affinity, you'll have the homebuying horsepower you need to outbid the competition and compete with cash buyers.

PowerBid Approval offers you:

- **Speed**
  Priority turn times mean you can become a power buyer overnight.
- **Strength**
  Full underwriting credit approval commands respect and helps you compete with cash buyers.
- **Flexibility**
  Renewable and lasts for 90 days, giving you time to find the home right for you.

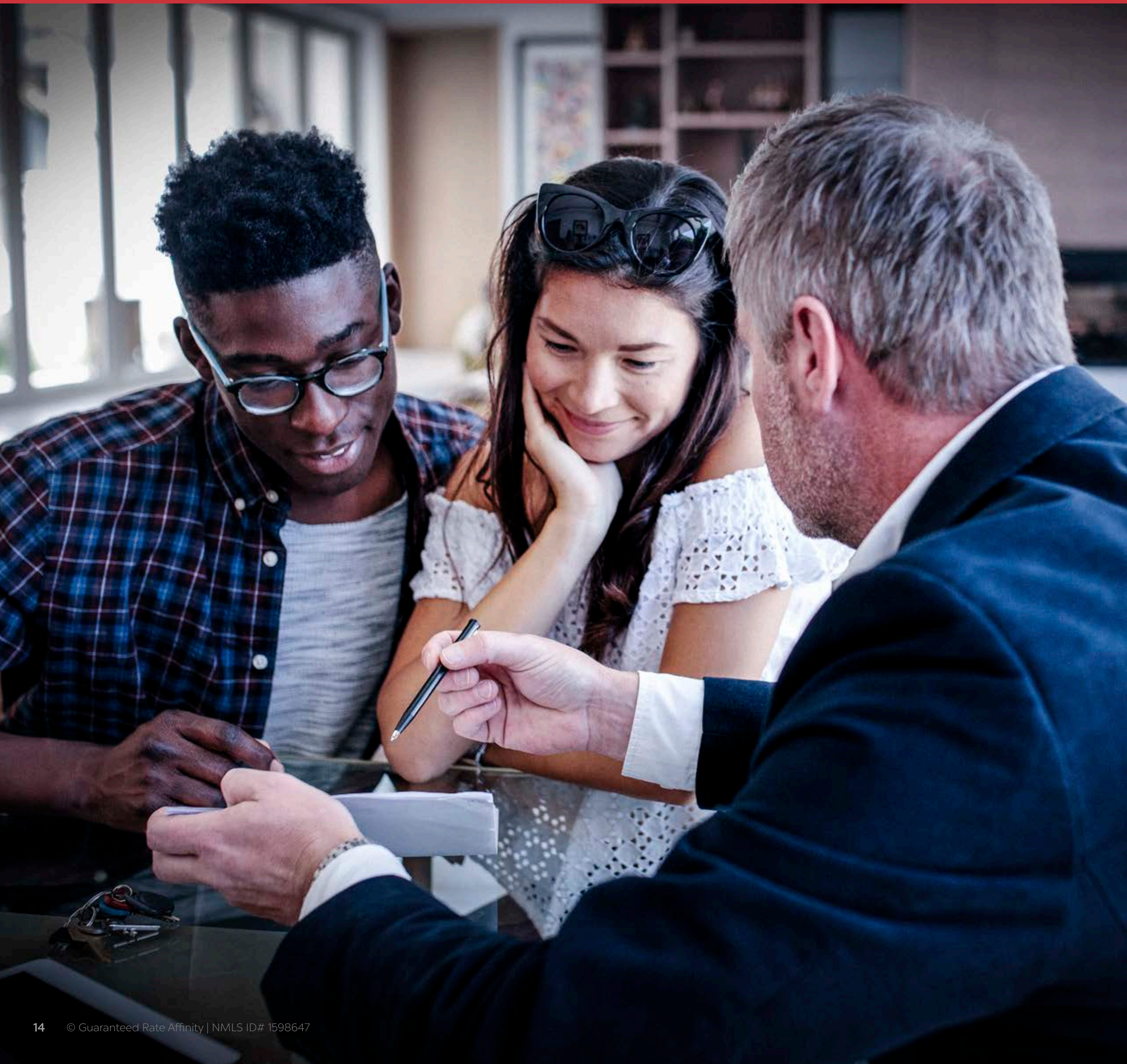
What about pre-qualification?

Pre-qualification doesn't carry the same authority as pre-approval. To get pre-qualified, a lender usually only evaluates your debt, income and assets to give you an estimate for how much you're likely to be approved. This quick procedure doesn't include an analysis of your credit report, an in-depth look at your ability to buy a home and isn't underwritten.

We'll explore the entire process of getting a mortgage in another section, because pre-approval is just the beginning. But with your pre-approval letter in hand, you're ready to compete with other bidders and find your home.

*PowerBid Approval (the "Approval") is contingent upon receipt of executed sales contract, an acceptable appraisal supporting value, valid hazard insurance policy, and a re-review of your financial condition. Guaranteed Rate Affinity reserves the right to revoke this Approval at any time if there is a change in your financial condition or credit history which would impair your ability to repay this obligation and/or if any information contained your application is untrue, incomplete or inaccurate. Receipt of an application does not represent an approval for financing or interest rate guarantee. Not all applicants will be approved for financing. Restrictions may apply, contact Guaranteed Rate Affinity for current rates and for more information.

CHOOSING AN AGENT



You could, in theory, go solo with your house search. But by doing so, you could put yourself at a disadvantage.

Professional **real estate agents** understand the ins and outs of the local housing market, including how much homes are really worth and even learning about new houses before they go on sale.

Given the stakes, it’s smart to have all the expert guidance you can get. Having an agent in your corner to manage the transaction will help you avoid potential pitfalls during the process.

KNOWING WHAT YOU WANT

Now that you know what you'll be able to afford, you can start figuring out what you'll need in a home.

What matters most to you when buying a house? Location? School district? The size of the yard? A chef's kitchen?

You should go into your house search with a clear idea of what you absolutely need in a new house vs. what you would like to have. Lay out what your deal-breakers are so you and your real estate agent are on the same page and can make the most of your time when looking at houses.

That said, two aspects of your new home that will have the biggest impact on your life there are your neighborhood and the type of dwelling you live in. Here are some hints for finding the right location and the type of home you want.

Choosing the right neighborhood

There are many online resources that can provide you with neighborhood-level information. It's important to be knowledgeable about your new neighborhood, including information about these five factors that you should consider when choosing where to live.

Schools

If you have children, the school district is the natural starting point of your search for the best neighborhood.

Attractions

Some people like to be in the thick of things, while others seek a little more solitude. If you like museums, theaters and the trendiest restaurants, a neighborhood closer to the city is a no-brainer. If you want a good balance between isolation and the cultural hubbub, you'll be better suited for a suburban community. And don't forget the importance of parks and playgrounds for outdoor activities.

Accessibility

Factor in proximity to public transportation, grocery stores, day cares or everyday necessities when you consider your daily commute and getting to the attractions you frequent.

Safety

You can see crime and violence reports at more than a few online resources to gauge the relative safety of a neighborhood. But there are additional factors that influence safety, such as air and water quality and their relationship to nearby factories, refineries and power plants. Also important is an understanding of the area's prevalence for extreme weather like hurricanes, tornados and floods.

Community

Are the neighbors friendly? Will your kids have playmates? The community you'll find yourself in is one of the hardest elements to quantify without actually living in the neighborhood. So why not ask someone who does?

If you see your prospective neighbors outside, ask them what they like about the neighborhood. You can ask your agent or the seller's agent about the neighborhood. You can also find friends who live nearby through social media and ask them to give you the scoop.

What type of home?

You should research the different types in your area and in your price range to narrow down your options. Here are some **typical home types** that are popular for first-time homebuyers due to their size and relative price tag.

Single family

Single-family homes might sound self-explanatory, but there are a few characteristics that differentiate them. In addition to being used as a private dwelling, these structures usually feature their own yard, private entrance and exit and are free of any shared walls with neighbors. Two common types are ranch homes and bungalows.

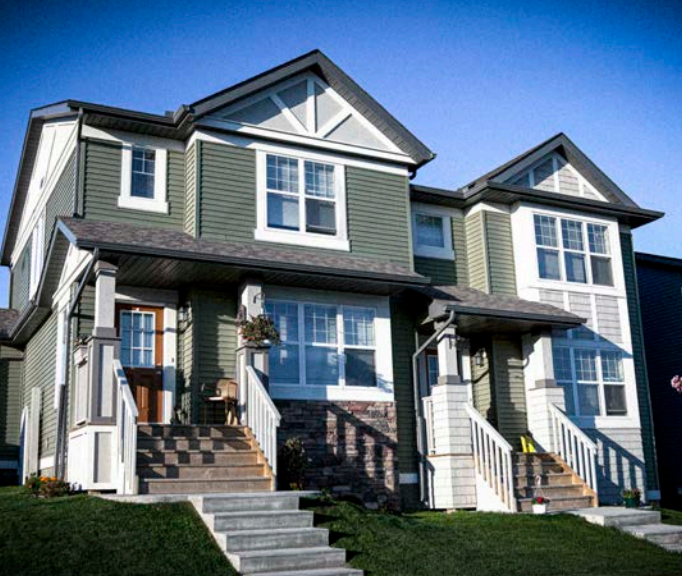
Ranch home

At one point in the United States, ranch homes were the most popular housing option for first-time buyers. As demand has shifted to larger homes, the ranch style has fallen a bit out of style.

However, these low, long homes offer a number of special qualities such as open dining rooms, spacious living rooms and sometimes full basements. Despite not seeming huge from the outside, this classic style of living has a lot to offer.

Bungalow

Bungalows offer a small, usually square shaped, single-story home. A lot of the time, this single floor is slightly raised with a porch or several steps leading to the front door. Like ranch homes, this single-family style has been popularized in urban and suburban settings.



Townhome

These attached housing units come with multiple floors and provide affordable and spacious living options in urban settings while sharing walls with other units. Like apartments, townhouses are usually part of a larger complex.

A major difference between apartments and townhouses, however, comes down to ownership. Townhouse owners have additional responsibilities more similar to single-family homeowners, like managing exterior maintenance and landscaping any outdoor space surrounding the home.

Condo

A condo is another kind of privately-owned residence attached to a larger complex. These units allow you to enjoy the advantages of homeownership without the added hassle of buying a full-scale house. You'll have to pay for these condo-specific perks however, like general exterior maintenance and shared communal areas, through a condo association fee.

Now that you have some goals in mind for your home and your community, it's time to go through the online listings, visit open houses and tour prospective homes until you find the one that checks all of the boxes for you. Once you do, you're ready to make an offer.

MAKING AN OFFER

Once you've found the one, work with your real estate agent to make an offer that you both think the seller would accept—while remaining within your pre-established budget. Keep in mind that your offer is not just about the money that will be changing hands, it also may include the terms and conditions of the transaction, like proposed move-in date.

Typically, your agent will make the offer to the seller's agent, with all the necessary terms and conditions included. Some typical topics that may be included in the terms and conditions include:

- Financing (which should be less of an issue if you're already pre-approved)
- Seller's assist or concession—a credit used to pay some of your closing costs
- Which party is responsible for specific closing costs
- Home inspection
- Fixtures and appliances to be included in the purchase
- Closing date

HOME INSPECTION

Hiring a professional to walk through the home, examine every nook and cranny and assess the state of the structure and major appliances protects yourself. That's why almost every homebuyer orders an **inspection** before they finalize the purchase.

WHAT IT IS

The objective of a home inspection is to uncover any existing issues with the house before purchase. This is typically done once under contract but before final closing. Essentially, you're hiring a trusted expert to walk through the home and examine the following:

- Walls
- Windows
- Floorboards
- Plumbing
- Major appliances
- HVAC system
- Electrical systems and wiring

In addition, the inspector will assess the home room by room, floor by floor, including:

- Bedrooms
- Bathrooms
- Kitchen
- Basement
- Attic
- Roof

When the inspector is done, they file a report describing any and all issues with the house. In general, an inspector may uncover issues that can be approached one of three ways:

- Fix it yourself
  (not a big deal, but should be fixed)
- Ask the seller to remedy the issue
  (kind of a big deal, but not enough to squash the sale)
- Ask to lower the purchase price or back out of the deal
  (huge red flag)

At no time does the inspector offer an opinion on the value of the home, whether the agreed-upon price is fair or anything else beyond the specific purview of inspection.

WHAT YOU NEED TO DO

It's your responsibility to schedule a home inspection—not the seller's. This benefits you. And once the inspector hands you the report, you need to understand what it says and decide if the home has any red flags that will make you pull out of the deal. Once you close on the home, it's too late to opt out or renegotiate terms.

NEGOTIATING

Once you make an offer, you and the seller may go back and forth negotiating different aspects of the deal. In a seller's market, when demand is high and inventory is low, buyers often have to go above and beyond to make sure their offer stands out from other offers that the seller may receive. This can result in what is known as a bidding war.

WHAT IT IS

A bidding war is when two or more buyers are bidding against each other to buy a home.

WHAT YOU NEED TO DO

While there's no science behind winning a bidding war, there are things you can do to increase your chances.

1. Be prepared and fully pre-approved

A pre-approval, especially one underwritten from Guaranteed Rate Affinity, will show the seller that you are ready to buy the home and silence any concerns about your offer.

2. Trust your real estate agent

The most important thing you can do is work with a great real estate agent and listen to their expertise.

3. Raise your offer

A bidding war often comes down to who's offering the most money, so this tactic is a bit of a no-brainer. But before you raise your offer, calculate how the new price may affect your monthly payment, and ask your agent if you are in danger of overpaying what the home is really worth.

4. Understand your options around contingencies

Contingencies are certain conditions that must be met in order to close on a property. If they're not met, the buyer is allowed to back out without losing any money. In a seller's market, some buyers will waive contingencies to make their offer more attractive.

A word of warning though: waiving a contingency like an inspection can cause some serious financial headaches down the road if something is wrong with the home. Only explore this option after speaking to your agent.

COMMON CONTINGENCIES

Home Inspection Contingency
The home has to pass a professional inspection.

Mortgage Contingency
The buyer has to secure a mortgage loan.

Appraisal Contingency
The home's appraised value must be at or above the sale price.

Title Contingency
The title of the home must not be in dispute.

Home Sale Contingency
The buyer has to sell his or her home before the sale is final.

5. Line up your dates

Find out what is important to the seller in terms of timeframes. Some sellers want to close quickly. Others need time to find a house themselves or pack up and move. Have your agent find out what timeframes work best for the seller and tailor your offer to their needs.

6. Offer earnest money

When a seller takes their house off the market when they've received your offer, they're taking a risk on you. Earnest money, usually somewhere around 1% or 2% of the purchase price, shows sellers you're serious about buying their house. If the sale falls through for certain reasons, they could get to keep your earnest money.

7. Be careful writing a personal letter

This practice is now frowned upon as it can lead to issues with fair housing standards. Instead of writing a letter, you could let the seller know how much you love the house through your agent.

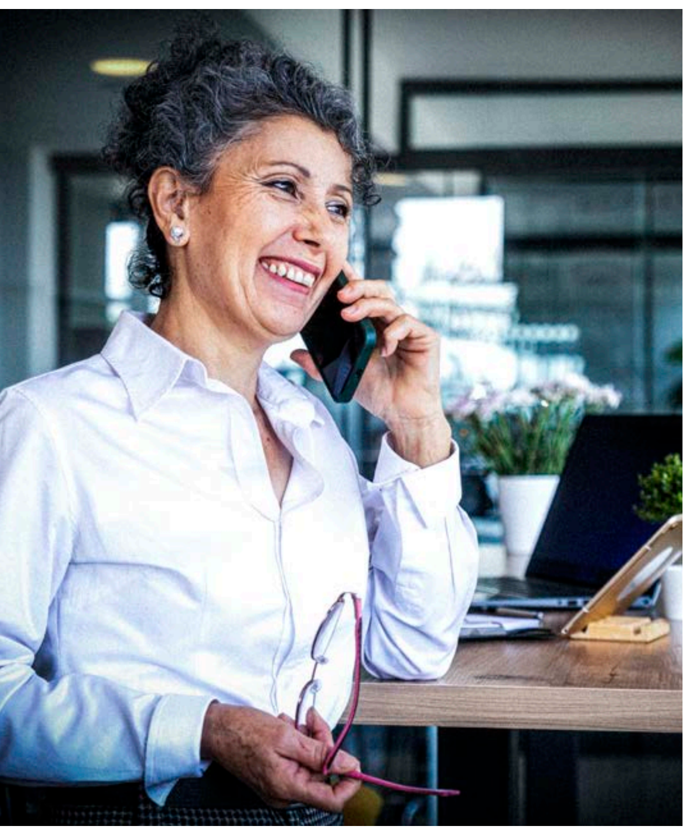
8. Know when to say no

A final important tactic is to know when **not** to enter a bidding war. Know how high is too high to go for you personally and financially and then stick to it. As any good card player will tell you, you need to know when to hold 'em—and when to fold 'em.

SECURING FINANCING

When you start your search by getting **pre-approval**, then you are already well on your way to having a smooth financing experience. But now that you've made an offer and are finalizing the deal, you need to finalize your mortgage terms with a lender and get ready to close on the loan.

CHOOSING A LENDER



WHAT IT IS

A lender is the financial institution that will offer you a loan to purchase your home, also known as a mortgage.

WHAT YOU NEED TO DO

Get to know the loan officer you'll be working with and learn about the types of loans they offer. You'll also want to know about their current rates, and the technology they use to make the process of getting a loan and closing on a home as simple and smooth as possible.

The best way to do that is by meeting with prospective loan officers and asking them these questions.

Questions to ask mortgage lenders

As important as the answers you get to these questions are, how you get along with the loan officer is important as well. This person will be helping you with a big complex transaction, and you should have a solid working relationship.

1. What types of home loans do you offer?

If you know from the get-go that you want a particular type of mortgage, make sure your lender offers it. For instance, if you're an active-duty service member and you'd like a VA loan, ask if your lender offers them. We'll include more on the different types of loans later.

2. What type of mortgage would you recommend for me?

Talk to your lender about your financial situation and your homeownership goals. Ask them to walk you through the best options for your situation and make a recommendation.

3. What are your current mortgage rates?

Interest rates are in a constant flux. Although you won't know for sure what interest rate you'll qualify for until you receive a pre-approval letter (and even that's not set in stone), ask the lender for their current mortgage rates to give you an idea of what to expect.

4. How large of a loan can I get and how much can I afford?

A mortgage lender can help set the right expectations for your house search by looking at your income, savings and assets to give you a ballpark figure on how big a loan you might qualify for.

But what you qualify for and what you can comfortably afford can be two very different amounts. A good lender will give you an honest answer, rather than try and get you signed to the largest loan possible.

5. How many people are on your team?

A good lender may have a dedicated team working on your loan, bringing their expertise to each step of the process to keep it moving smoothly. Ask who you may expect to receive calls or emails from, and how the team is staffed to move quickly.

At Guaranteed Rate Affinity, each loan officer is supported by a POD of experts who handle different aspects of the transaction. This helps us process your loan quicker and more efficiently.

6. How does your lender simplify the process?

Digital mortgages have made the process faster and more seamless than ever, but not every lender has the technology to truly make it simple. Ask your lender about their tech platform. Beyond that, you can easily find reviews online about the platform as well.

Our Digital Mortgage was the first in the industry, and Guaranteed Rate Affinity has consistently improved our platform to make the process simpler for you. Through your personal MyAccount page, you can conveniently upload documents, link bank accounts and connect with your loan officer. No need to fax documents ever again.

7. How quickly can I get my pre-approval letter?

A slow or unresponsive lender could stand in your way of snagging your dream home. Ask how quickly your lender can get a pre-approval letter in your hand when you're ready to submit an offer. If approved, Guaranteed Rate Affinity can provide you with a pre-approval letter in just a few hours.

8. Can I lock in my mortgage rate?

Interest rates fluctuate a lot—even day to day. It's possible that the rate your lender offers at pre-approval will change by the time your loan is finalized. If you're worried that interest rates will go up in the intervening weeks or months, see if you can lock in your mortgage rate now.

9. What are my options if I can't afford a large down payment?

While a larger down payment may be required in some cases, your mortgage lender should be able to provide you with alternatives if you don't have the funds to make that happen. Check out the next section of this book to find down payment resources for first-time homebuyers.

10. What closing costs and fees will I need to pay?

Ask your mortgage lender beforehand to itemize the **closing costs**, including common expenses like:

- Origination fees
- Title insurance
- Inspection fees
- Appraisal fees

Also, ask your lender if they can roll these costs into the interest rate and mortgage points. You're still paying closing costs, but the sting might be a bit less since they're baked into the mortgage.

11. Are there any penalties I should be aware of?

In addition to penalties related to late payment, some lenders may charge a prepayment penalty if you are especially aggressive in paying back your loan early.

12. How long will it take to process my home loan?

When buying a house in a competitive real estate market, a **speedy loan processing time** can give you an advantage, so ask how long it usually takes to finalize a loan.

13. Do you handle underwriting internally?

Underwriters review your qualifications as a borrower and assess the amount of risk the lender is taking on. Some lenders farm out underwriting to third parties, which can create costly delays and miscommunication. Lenders with in-house underwriting teams, like Guaranteed Rate Affinity, are often able to process loans quickly and keep you up to date to get you home faster.

14. Who is going to service my mortgage?

It's standard operating procedure for most lenders to sell your mortgage on the secondary market to a different servicer. Most of the time, you don't even notice who owns your loan note. The one thing that might change is where you send your mortgage payments. It's best to ask specifically if the lender will continue servicing your mortgage so you know for sure who you'll be dealing with when you make payments.

15. Do you offer mortgage points?

Ask if your lender will let you purchase mortgage points to lower your rate. This is what's known as "buying down the rate." **Paying points on a mortgage** means you pay a fee to the lender at closing in order to secure a more favorable interest rate.

FINDING THE RIGHT TYPE OF LOAN FOR YOU

WHAT IT IS

There are many types of mortgage loans available offering different terms and conditions, and some may be better for your situation than others.

WHAT YOU NEED TO DO

Learn about the different options and figure out which one works best for you. Two of the main differences are if the interest rate remains the same or changes during the life of the loan and how long you have to repay the loan, called the term. Below we discuss most of the options you could find.

Fixed-rate mortgages

Your interest rate will never change with these home loans, so you can expect to pay the same amount each month through the life of the loan. By far the most common options are 30-year or 15-year fixed rate mortgages, although some lenders may offer 10-, 20- or even 40-year options, as well.

Adjustable-rate mortgages (ARM)

After an introductory fixed rate period, interest rates on adjustable-rate mortgages are recalculated according to a predetermined schedule and payments may increase. Among the most popular options are 5/1 and 7/1 ARMs, in which interest rates are readjusted every year after the fixed rate term of five and seven years, respectively.

Recently, however, 5/6 and 7/6 ARM options have gained popularity. With these mortgages, interest rates are reset every six months, rather than every year, following the fixed-rate period.

Applicant subject to credit and underwriting approval. Not all applicants will be approved for financing. Receipt of application does not represent an approval for financing or interest rate guarantee. Restrictions may apply, contact Guaranteed Rate Affinity for current rates and for more information.

Different loan lengths

The most common mortgage in the United States is the **30-year, fixed-rate loan**. In fact, the Consumer Financial Protection Bureau found that just over 80% of homeowners went with a 30-year term in a 2018 analysis of Home Mortgage Disclosure Act data.

The second most popular mortgage term is for 15 years, and many lenders also offer a 20-year term. The benefits to shorter-term mortgages are that they tend to offer lower interest rates and allow you to pay off the loan with significantly less paid in interest over the life of the loan. But in order to get that advantage, you'll have to pay more per month.

Popular loans and programs to help first-time homebuyers

As a first-time homebuyer looking for a mortgage, you're in luck. There are many homebuyer assistance programs designed to make it easier for you to afford a home with reduced rates and fees:

Federal Housing Authority (FHA) loans

- Many first-time owners find FHA loans an attractive option since they are 100% backed by the federal government and come with few restrictions.
- FHA loans typically offer applicants reduced down payments while accepting lower credit scores.
- Eligible first-time applicants can expect down payment options to start at 3.5% with a minimum credit score of 580.

VA loans

- If you're a member of the military or a spouse of a service member, you're entitled to reduced rates, no required down payments and no PMI (private mortgage insurance) when you **apply for a VA loan**.

Fannie Mae and Freddie Mac

- Fannie Mae and Freddie Mac are government-sponsored enterprises that offer conventional loans with down payment options starting at 3% for homebuyers with credit scores 620 and above.
- First-time homebuyers can take up to 3% off of closing costs via Fannie Mae's HomePath ReadyBuyer™ program.

USDA loans

- USDA loans are government-backed loans that offer borrowers the ability to finance up to 100% of their mortgage, which means zero down payment.
- Similar to FHA loans but intended exclusively for people wanting to purchase homes in designated rural areas.
- Your household income cannot be higher than 115% of the median income of the area.

Other Federal loans and grants for first-time homebuyers

In addition, there are other federally sponsored loans and grants that can help expand homeownership, including:

- Good Neighbor Next Door
- Dollar Homes
- FHA Energy Efficient Mortgage program
- Section 184 Indian Home Loan Guarantee program

Guaranteed Rate Affinity has no affiliation with the US Department of Housing and Urban Development, the US Department of Veterans Affairs, the US Department of Agriculture or any other government agency.

State government programs for first-time homebuyers

Down payment assistance (DPA) programs

There are more than 2,000 DPA programs available, so ask your loan officer about the ones they can help you with. You can also visit www.downpaymentresources.com for a listing of over 2,500 DPA programs nationwide to find one you may qualify for.

Not-for-profit loans and programs for first-time homebuyers

The not-for-profit sector can also be a helpful place to turn when buying a home for the first time. Key sources of assistance include the following programs and organizations:

- Neighborhood Assistance Corporation of America (NACA)
- National Homebuyers Fund (NHF)

Your IRA account

Under normal conditions, individuals who wish to withdraw funds from either their Roth or traditional IRA account will incur a 10% penalty. However, if you are a first-time homebuyer and would like to withdraw up to $10,000 to help pay for your home ($20,000 for couples), the federal government will waive the penalty.*

FHA 203(k) renovation loans

Finally, if you fall in love with a fixer upper, the FHA 203k loan is uniquely designed to help you not only get a mortgage, but also obtain necessary funds to renovate it. You may be able to spend less on a home that needs some work and use that extra money to transform it into what you need.

*Source IRS. Guaranteed Rate Affinity does not provide tax advice. Contact your tax advisor with any tax related questions.

HOW A LENDER DECIDES

Every lender has a different process to decide who they'll fund for a home loan. While they may weigh the following factors differently, here are the elements of your application that they will take a close look at before approving you for a loan.

Credit score

While there is no specific credit score minimum for first-time homebuyers, you'll have a much better chance of securing a mortgage on the terms you want if your score falls into the following ranges:

Good	670-739
Very Good	740-799
Excellent	800-850

While credit scores alone do not determine whether you are approved for a mortgage, they certainly play a large role and can influence such things as the mortgage rate offered and overall costs and fees. The average credit score for first-time homeowners is 716.*

Before you make an offer on a house, make sure you've been exercising the kind of financial maturity that's typically associated with a healthy credit score. It takes time to build good credit, and it's your No. 1 ally when applying for a mortgage.

Monthly income

If credit scores reveal the likelihood of making future payments on time, then income (and savings) are the engines that enable you to make those payments. It's very important that you can show lenders that your income is stable and consistent over a period of time.

Debt-to-income ratio

You can't mention income in the context of mortgages without quickly pivoting to **debt-to-income ratio (DTI)**, a measurement of monthly income vs. recurring monthly expenses (including the proposed mortgage premium) expressed as a ratio or a percent.

*Source: U.S. Department of Housing and Urban Development

For conventional loans (those backed by Fannie Mae and Freddie Mac), it's recommended that DTI does not exceed 45%. This can be extended to 50% in some instances for individuals with high credit scores, savings and liquid assets.

Savings and assets

Savings are the backbone of any large purchase, and lenders will need to know how much money you have in reserve. Having enough savings on hand shows your mortgage provider that you're prepared to make monthly payments even if an emergency arises.

Keep in mind, however, there's a vast difference between how large a loan a lender may approve you for and how much you're willing to spend on a home. Ultimately, it's up to you to decide what you're comfortable spending each month and overall on your house as a first-time homeowner.

WHAT YOU'LL NEED TO GET A LOAN

Getting a loan involves sharing plenty of documents with your lender. Start digging through your files for these common documents that you may be asked to provide. Some of this information may be pulled by your lender from a third-party, like your credit report:

- ☐ Evidence of earnest money, like a deposit receipt
- ☐ Asset verification, like bank accounts, stocks, deeds to property, etc.
- ☐ Borrower letter of explanation (LOX) detailing any salient details in your financial or employment history
- ☐ Gift letter, if needed, from friends and family
- ☐ An explanation of any large deposits in your bank statements
- ☐ Verification of employment (VOE) from your employer
- ☐ Fully executed sales contract, signed by you and the sellers
- ☐ Completed appraisal
- ☐ Credit report
- ☐ Other ancillary documentation pertinent to the loan
- ☐ Photo identification at closing
- ☐ Personal check or bank check from an approved account to cover the closing costs and down payment (unless the money was wired)

NOTE: Your mortgage team will advise you on the best way to transfer funds for your closing

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LOCKING IN A RATE

Closing on a mortgage loan can sometimes take weeks, and the rates offered at the start of the application process can change before the closing of the loan. That's why borrowers can decide to either lock or float their interest rate when they first agree to a mortgage contract.

Locking a mortgage interest rate means that the rate attached to your mortgage won't change before you close on your home. If mortgage rates go up before closing, you're in the clear. You won't pay more.

Floating a mortgage rate might be a better option if rates are expected to drop and you hope to get a better deal down the line.

If you lock your rate, then interest rates go down, you may be able to get a new, lower rate before you close. Ask your lender about a "float down option." These usually require you to pay an additional fee at closing in order to get a lower rate if the current market supports that.

PAYING POINTS

The interest rate your loan officer offers you is not set in stone. You can do something called "buying down the rate" by purchasing mortgage points.

WHAT THEY ARE

Mortgage points are credits you can buy from your lender to lower your interest rate when you take out a loan. They are also called discount points, lender credits or simply "points." For every point you buy, your lender will lower your mortgage rate, usually one-quarter of a percentage point.

WHAT YOU NEED TO DO

Ask your lender if they allow borrowers to buy mortgage points, then ask how much it would be for your loan. Compare that dollar amount, which would be due at closing, with how much you will save in interest over the life of the loan. If you can afford a little more up front, it may make sense to pay for points and save money in interest.

EXPLAINING APR

Most of what you hear about is the mortgage rate, which is determined by economic data in combination with your credit score. But that number won't actually tell you how much you'll pay each month. That all important number is called the APR, or Annual Percentage Rate.

WHAT IT IS

APR is the total cost of borrowing money from your lender. It's determined by your mortgage rate plus additional charges and fees your lender includes. Typical fees/charges rolled into APR include the following:

- Origination charges
- Most closing costs
- Costs for discount points
- Mortgage insurance

Due to these added fees, the APR is always a higher percentage than the interest rate.

WHAT YOU NEED TO DO

Comparing APRs between lenders is a good way to conduct an "apples to apples" comparison of your options. Both mortgage rates and APR need to be weighed as you talk to lenders. Understand which costs/fees are included and which ones are not.

LOAN ESTIMATE

WHAT IT IS

The Loan Estimate is a detailed three-page document presented to you after you've applied for a loan and you've provided your lender with all the necessary information. It includes loan terms, interest rate, estimated taxes and insurance, total monthly payment and other key features affecting your loan.

Much like the Closing Disclosure (which is issued at the end of the underwriting process and right before loan closing), the Loan Estimate provides valuable insight into the various expenses and loan-related details you'll be responsible for.

WHAT YOU NEED TO DO

Given the fact that the Loan Estimate is such an information-rich document, it warrants some unpacking. You should pay close attention to this document and compare it to the closing disclosure to make sure those "i's" are dotted, those "t's" are crossed and all the numbers add up.

Your lender is required by law to provide you with the Loan Estimate no later than three days after receiving your loan application. While the document provides only a preliminary accounting of loan-related details, it gives you a real understanding of overall costs. This gives you transparency and consistency so you can make smart comparisons between multiple lenders and ultimately choose a loan—and a mortgage provider—that checks all the right boxes.

MORTGAGE PROCESS

Alright, you've found a home, made an offer, negotiated, had your offer accepted and locked in a rate. Now the action shifts from you and your real estate agent to your loan officer and their team. While you're not as involved with the progress now as you were before, there's still a lot happening.

The **mortgage loan process** may seem far from simple, so let's break down every step of the process so you'll know exactly what's happening with your loan from now until closing.

1. Loan is submitted to processing

The Mortgage Consultant collects and verifies all documents necessary to prepare the loan file for underwriting. These documents provide your loan officer with everything they need to know about you and the property you are financing.

During processing, the Mortgage Consultant:

- Begins verifying assets, income and employment
- Orders a home appraisal to determine the value of the property (if/when needed)
- Runs various compliance and eligibility checks to ensure the process advances quickly and smoothly

2. Loan is submitted to underwriting

The Underwriter begins the **loan underwriting process**, reviewing all documentation to determine whether you qualify for a mortgage.

While the Loan Officer and Mortgage Consultant will do their best to submit a complete file during loan underwriting, an Underwriter may still have questions and/or require additional documentation to satisfy any conditions for a final approval.

In addition to the loan file submitted by processing, the Underwriter examines:

- The completed **appraisal**
- Credit report
- Other ancillary documentation pertinent to the loan

If the loan is approved, the borrower receives a list of conditions required to be met before receiving final approval and notification of Clear to Close.

3. Loan is conditionally approved

A conditional loan approval means that the Underwriter has signed off on the parameters of the loan and most of the documentation, but still needs a few more items before fully approving the borrower for the loan.

The Loan Coordinator will contact you to review the conditional approval mortgage and discuss any additional required items, as well as any extra documents that are needed to finalize the loan. Common extra information that could be requested includes:

- The completed appraisal (or updates to the existing report)
- Additional verifications

Once all conditions have been met, the Loan Coordinator will send the file back to the Underwriter for a final review and approval.

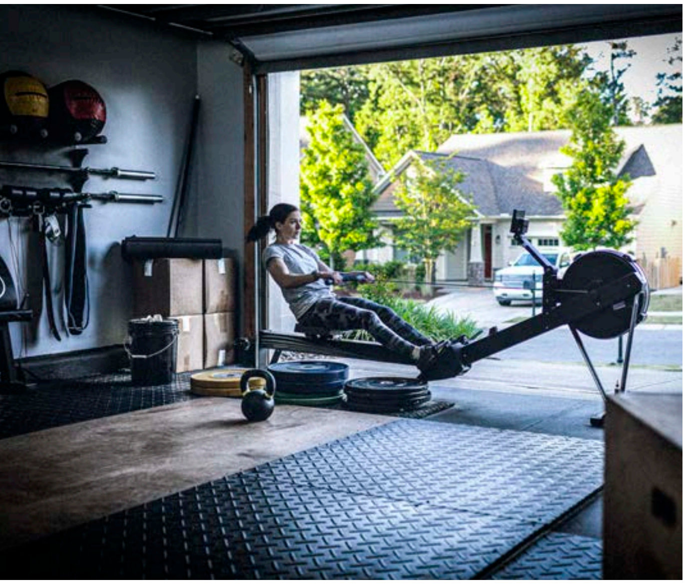
4. Clear to Close

Clear to Close means the Underwriter has signed off on all documents and issued a final approval.

The mortgage team schedules your closing and reviews the **Closing Disclosure** (CD).

- The CD is the standardized document that details the finalized terms for the loan, including a breakdown of all costs and fees.





5. Closing

Closing processes vary slightly depending on the type of transaction, as well as local, state and municipal laws.

- You can receive estimated figures for the **closing costs** and **down payment** from your loan officer or their team, but they'll need to speak with your local title company or real estate attorney for a final amount.
- Bring funds to cover the closing costs and down payment.

Prepare to sign a lot of documents!

6. Loan has been funded

The final step of the loan process is now complete: Your loan has been funded.

Collect your keys and schedule your mover, the house is now yours!

At this time, all documentation is complete and the funds for the loan have been disbursed to the seller.

APPRAISAL

WHAT IT IS

A residential appraisal is an unbiased opinion of the market value of your home today. The appraised value is based on an appraiser's analysis of the property's condition and similar home sales. Appraisals happen after an initial offer is accepted and is one of the first steps towards closing the sale of a home.

WHAT YOU NEED TO DO

Sit tight and cross your fingers.

As a later phase of your mortgage approval, appraisal can be nerve-wracking, especially when the outcome determines your future mortgage payments for years to come.

Usually, the appraiser will base the estimated value of your home on in-depth research, taking factors such as site inspections, amenities, condition, quality and sales of similar properties.

Lenders will always seek an impartial appraisal to ensure an accurate market value estimate of the property and to make sure that the home's value will be sufficient collateral to support the terms of the loan. In the event of foreclosure, an appraisal guarantees that the lender can repossess the property and sell it back on the market to make back their initial investment of the loan.

Your appraiser's report will include a detailed description of several factors:

- Interior and exterior condition
- Number of rooms
- Improvements, repairs and renovations
- Plumbing and electricity
- Age of the structure
- Local market trends
- Condition of surrounding properties

Indoor elements such as square footage, quality of construction and recent upgrades also contribute to the report. If the appraised value comes back less than the listed price, the sale can be renegotiated or canceled altogether.

PRIVATE MORTGAGE INSURANCE

WHAT IT IS

Private mortgage insurance, or PMI, is an extra fee your lender may ask you to pay every month, usually when your down payment is less than 20%, to offset the lender's risk. It covers them if you're unable to continue to make mortgage payments for any reason.

WHAT YOU NEED TO DO

Recognize that PMI is actually helping you get the home you want, but then you should cancel it as soon as you can.

The Power of PMI

For many homebuyers, the idea of paying PMI is frowned upon. It's extra money you'll pay each month, but it doesn't cover your principal or interest; it's just another fee. But PMI serves an important purpose, especially for first-time homebuyers who may not have the necessary 20% down payment they'll need to purchase the home that they want.

PMI gives you greater purchasing power by making it possible to buy a home with a smaller down payment in exchange for an added monthly cost. By providing lenders with a promise of reimbursement, PMI lets lenders issue you a loan that they may otherwise decide is too risky for their approval.

How much is private mortgage insurance?

The cost of your PMI policy will be relative to current insurance rates and your own financial situation, but to give you a rough estimate, average PMI policies cost about 0.5%-1% of your loan amount each year.*

*Source: Investopedia

Canceling PMI

In order to remove PMI from your monthly payments, you'll need to gain some equity in the home. If you can bring down your principal balance to 80% of the home's value, contact your lender and request to eliminate PMI. If you have an FHA loan, you'll need to refinance into a conventional loan to eliminate PMI. You may have to have your home reappraised to determine your home's new value. Automatic PMI termination is a legal requirement that requires your lender to cancel your PMI on the expected date that your remaining principal balance hits 78% of your original home value.

WHAT **NOT TO DO** WHEN YOU'RE GETTING A MORTGAGE

When you're applying for a loan, be very careful not to do anything that will change the way your lender will look at your application. Making big purchases or changing your income could affect your ability to qualify for a loan.

So, after you've applied for a loan but before you've closed the deal is the time you DON'T want to:

- ☒ Buy a car
- ☒ Take on more student loans
- ☒ Take out a new credit card
- ☒ Co-sign a loan for someone else
- ☒ Max out your credit cards to buy furniture for your new home
- ☒ Forget about things affecting your credit, like an unused store credit card
- ☒ Quit your job without a written offer in hand for your next one

HOMEOWNERS INSURANCE AND OTHER TYPES OF INSURANCE

Your new home isn't just going to be the roof over your head; it's going to be one of your most treasured—and valuable—assets. You want to protect your investment and have the funds to repair it if it's damaged or destroyed.

That's what homeowners insurance is for—and since you're also paying a mortgage, lenders typically require proof of homeowners insurance coverage when buying a home.

WHAT IT IS

Homeowners insurance helps people repair extensive damage to their homes from "covered perils" like a fire, natural disaster, water damage or theft. Homeowners insurance can also cover expenses if someone is injured on your property. You pay a monthly premium for your policy, which will help you to:

- Repair property damage to the physical house or other covered structures
- Replace personal belongings that are damaged
- Cover your liability in case someone who doesn't live at your home is injured

WHAT YOU NEED TO DO

You have the choice to provide your own homeowners insurance or go through one of the insurance companies your lender trusts. If coverage is obtained through the lender, you may have to pay the entire first year in full at closing. The lender then collects a portion each month as part of your monthly mortgage installments. Your lender will handle payment to your insurance provider.

What isn't covered by homeowners insurance?

While homeowners insurance is designed to protect against the cost of damage to a property, there are several scenarios that these policies do not insure and additional coverage may be required:

- Flooding
- Natural disasters
- Upkeep issues stemming from neglect

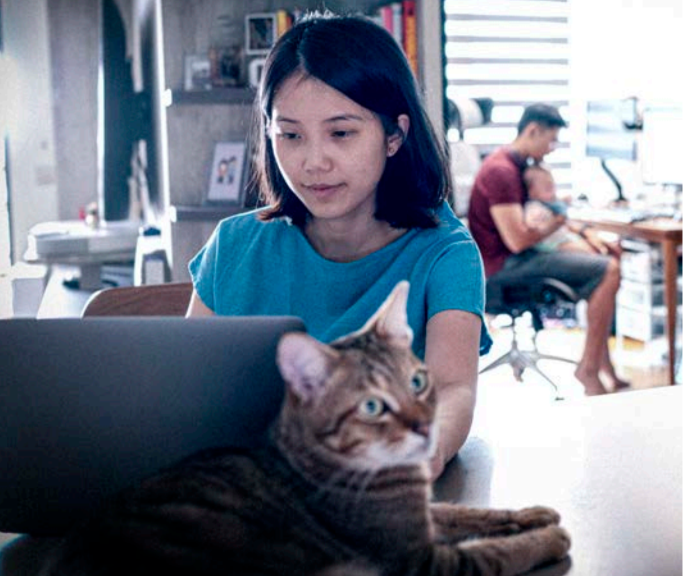
CLOSING ON YOUR NEW HOME AND MOVING IN

As the last step before you move into your new home, the **closing** can be an exciting moment in the homebuying journey. It's essentially the final part of the transaction, where you'll have to sign many legally binding documents.

Guaranteed Rate Affinity offers FlashClose,SM * which will allow you to review and sign some, if not all of your documents online and can speed up the process significantly. In-person closings can take longer and involve hours of physically signing paper documents.

*Not eligible for all loan types or investors. Eligible for conforming and jumbo loans as well as primary, 2nd home and investment properties. Full e-close is not available in all states and is eligible for conventional loans only. Applicant subject to credit and underwriting approval. Not all applicants will be approved for financing. Receipt of application does not represent an approval for financing or interest rate guarantee. Title company restrictions may apply, not eligible for HFA programs. Contact Guaranteed Rate Affinity for current rates and for more information.

CLOSING COSTS



One aspect that every type of closing includes are closing costs. At the start of your loan application, your lender will provide an "official Loan Estimate," laying out the expenses associated with processing and finalizing the loan. In addition to information about interest and monthly payment amounts, this Loan Estimate also includes a breakdown of the closing costs that you'll need to be prepared to pay at closing.

WHAT THEY ARE

Closing costs are the expenses paid at the very end of the homebuying process to finalize the real estate purchase. This collection of fees covers the expenses associated with underwriting the loan as well as the amount paid to any third-party service providers that were involved in the sale.

WHAT YOU NEED TO DO

You need to pay them.

But more than that, you need to have the funds ready to pay them and factor them into your budget when preparing for closing.

How do you calculate closing costs on a house?

For a better understanding of how to calculate closing costs, we'll need to take a closer look at each fee that is included. Here's what some of the common closing costs would look like for a typical buyer and how each of these aspects will impact your mortgage.

Property appraisal

The fees associated with hiring an appraiser are covered by the borrower and usually amount to $300-$600.[**]

Credit report

Fees for pulling a credit report can vary.

Flood certification

Flood certification is a mandatory mortgage step in certain locations and is usually an additional $15-$25 fee.**

Tax services fee

Tax services are provided by third-party organizations that monitor your taxes and will alert your lender of any delinquent tax payments. The associated fee for tax services varies from lender to lender, so ask your loan officer.

Title services

Title services provide all parties involved in the real estate deal with peace of mind that the ownership of the home can legally be transferred from one owner to the other. Another individual who shares ownership of the property or a bank that has an ongoing lien on the home can upend the mortgage process, costing the buyer, seller and lender valuable time and money.

Title insurance for lender

Your lender will require their own title insurance policy in order to approve a mortgage. This policy protects your lender from any issues that can arise from an additional legal claim on the property. Although this policy only protects the lender against claims that impact the loan, the coverage is still paid for by you.

Title insurance for buyer

Your own title insurance policy, on the other hand, protects your claim to the property in the event that another individual comes forward with their own claim. Mortgage lenders might require you to have your own title insurance policy.

The buyer's policy is customarily covered by the seller, but these details can vary and are settled in early negotiations for the home sale. It is possible for you to pay for your own title insurance.

Government recording charges

When a property's title changes hands, government agencies will need to legally record the change in

ownership and any documents related to your mortgage. Processing a home sale and filing your deed with your local government comes with a fee. This extra charge can be covered by either the buyer or seller and can be settled during the negotiation process. This fee is paid at closing and the amount can vary depending on your location.

Transfer taxes

When ownership of a property is transferred from one individual to another, the city or state will charge a transfer tax, as well. The amount paid in transfer taxes can vary between locations, but it's usually calculated as a percentage of the home's appraised value. Depending on negotiations at the beginning of the deal, transfer taxes can be covered by either you or the seller.

What does the seller usually cover?

When it comes time to settle closing costs, the person you're buying the home from covers fewer individual costs, but the total amount they pay can be more. Sellers will usually pay the commissions due to both their real estate agent, as well as your agent. This amount is negotiated by the seller when they list their home and is usually about 6% of the purchase price.

Depending on what was agreed to during your negotiations with the seller, and what is customary in your market, the seller may also cover your title insurance policy and property taxes if they have not already been paid for that year.

Also, you'll likely use an escrow agent to hold funds until the purchase can be finalized. The buyer and seller will hand over documentation and finances throughout the homebuying process, which are held in escrow until the deal is finalized. Escrow fees can cost up to a few thousand dollars, usually 1%–2%** of the purchase price. Since it's used by both the buyer and seller, the fees are usually split 50/50.

** https://www.lendingtree.com/home/mortgage/understanding-mortgage-closing-costs/

HOW TO BE PREPARED FOR YOUR CLOSING

What you should bring to closing

- ☐ **Photo ID**
- ☐ **Closing costs**
  Certified check or cashier's check
- ☐ **Down payment**
  Certified check or cashier's check

The most common documents you'll need to sign are

- ☐ **Deed**
  To officially transfer the property from seller to you
- ☐ **Mortgage note**
  A legal document where you promise to pay off the loan amount
- ☐ **Title insurance**
  To protect the buyer and the lender from potential problems with the home

What you should definitely do at closing

- ☐ Compare your Loan Estimate from the beginning of the application process with your Closing Disclosure.
- ☐ Disclose if your financial circumstances have changed since the original application.
- ☐ Take note of when your first payment is due, likely found on a temporary coupon that you'll use to make your first payments.

SHOULD YOU USE A REAL ESTATE ATTORNEY?

Aside from a home inspector and other specialists, a real estate attorney can help give you peace of mind—especially if you're unfamiliar with the closing process.

WHAT IT IS

A real estate attorney has been trained to offer expert advice on your behalf during a real estate transaction. Not everyone involved in your home purchase is obligated to look out for your interests. A real estate attorney is. The attorney can deal with any issues that arise and negotiate a productive solution or amend a contract, if necessary.

At closing, you'll be swamped with hard-to-understand documents, dozens of pages packed with legalese. A real estate attorney can help you make sense of it all. They handle all of the financial paperwork with the home closing, including state and local taxes. Also, not every home purchase is a simple agreement between a buyer and a seller. The property might be owned by a bank or be part of an estate. In complex cases, the expertise of a real estate attorney can be worth it.

WHAT YOU NEED TO DO

You need to decide if you'd like to hire a real estate attorney. More than a dozen states require that a real estate attorney be present at the closing, so if you're not in one of those states, the decision is up to you. Factor in what you'll have to pay for the attorney's services when you decide.

The real estate attorney typically gets involved once the terms of the sale have been agreed upon and will then deal with the nuances of the agreement. But he or she can be brought in before if you're feeling uncomfortable about negotiating, or if you sense that the transaction may have some surprises in store.

The attorney works with the title company to guard against any potential legal issues, such as if a neighbor built a fence on your soon-to-be property. The lawyer will also help negotiate issues unearthed by the home inspection and make sure the legal paperwork is in order and filed with the appropriate county.

Further, the attorney will ensure you don't sign anything that could harm the value of your property down the line and uncover glitches that need to be addressed. Having expert eyes on the home contract and other paperwork at the actual closing can make sure they are 100% accurate.

AMORTIZATION SCHEDULE

One of the most important things you'll receive at the closing, second perhaps in importance only to the actual keys to your new home, is the **amortization schedule**. This will help you understand the financial commitment you just took on.

WHAT IT IS

An amortization schedule provides you with a table that outlines the periodic loan payments, as well as a monthly payment breakdown, to show you how the loan will be eventually paid off. A fully amortized loan has been completely paid in full.

Amortization is not a word you'll see outside of financial transactions, so it is helpful to provide a definition. "Amortization" is the gradual reduction of your loan's balance through regularly made payments. For home loans, these monthly payments are made up of two different types of payments: your principal and your interest.

WHAT YOU NEED TO DO

Use the amortization schedule to closely track your mortgage's progress to understand exactly how much interest you've paid off and how much equity you've gained on the property. Amortization schedules help you understand the amount you'll be paying each month and breaks down each payment, showing how much goes towards interest vs. the loan's principal.

For the first few years of your loan, your amortization schedule will show the majority of your monthly payment going towards interest. This is typical for most loans, where more interest is due at the start of the loan's term before the principal balance can be driven down. Eventually, a higher portion of your payment will go towards driving down the loan's balance.

Your mortgage amortization schedule will show exactly how much your balance has decreased on a given date. With this knowledge, you can track your own equity in the property and project how much you'll have gained in the future.

HAVE A SMOOTH MOVE

Now that you've signed your last document, handed over your down payment and have the keys to your new house in your hand, there's only one thing left to do: **Move in!**

MOVING CHECKLIST

6 weeks before your move
- ☐ Book a truck rental
- ☐ Schedule movers (or ask friends for their help)
- ☐ Notify local institutions like schools, gyms etc.

5 weeks before
- ☐ Start using up refrigerated food
- ☐ Host a garage sale or donate items to charity (keep track of donations for tax purposes)

4 weeks before
- ☐ Start packing non-essential items
- ☐ Dispose of paints or other hazardous items

3 weeks before
- ☐ Schedule mail forwarding
- ☐ Transfer utilities
- ☐ Update your mailing address with banks and other service providers

2 weeks before
- ☐ Secure parking spot for moving truck
- ☐ Schedule painters or handymen for any jobs you need at the new house before you move in
- ☐ Request time off work, if needed

1 week before
- ☐ Clean your old home
- ☐ Finish last-minute errands
- ☐ Pack kitchenware and essentials

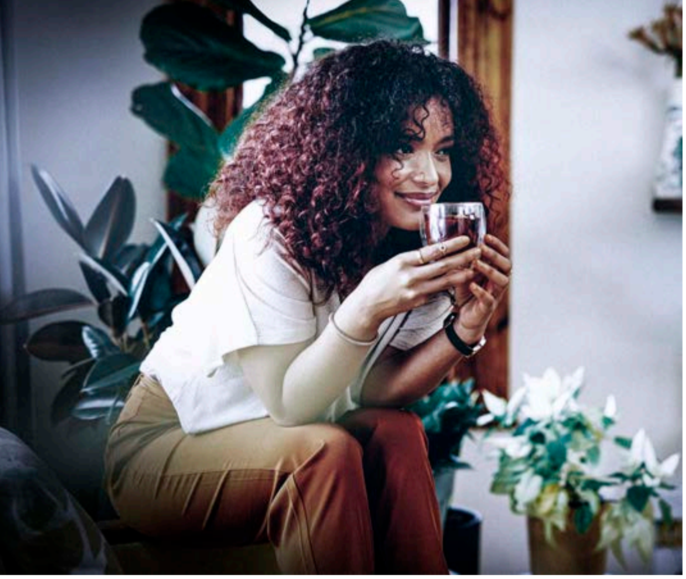
1 day before
- ☐ Pack suitcases and personal essentials (keep them handy for your first days in your new home)
- ☐ Give neighbors a heads up about your move and where you'll park the truck
- ☐ Get cash to tip movers

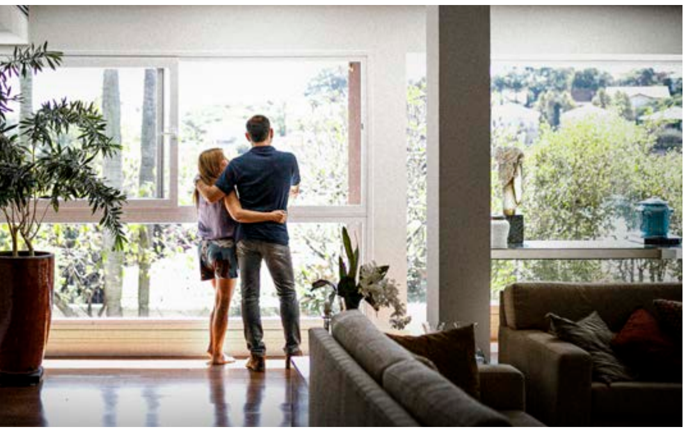
The day of the move
- ☐ Stay hydrated
- ☐ Do a final sweep of your old home
- ☐ Hand over your old keys

In the days/weeks after your move
- ☐ Clean your new home before unpacking
- ☐ Unpack your boxes and decide where your things should go
- ☐ Change the locks
- ☐ Figure out trash pick up
- ☐ Check smoke alarms
- ☐ Update driver's licenses and voter registrations
- ☐ Explore your new neighborhood and meet your neighbors

CONGRATULATIONS, HOMEOWNER!

You are now the proud owner of your first home. While we hope that you've found this book helpful, we know that the next part of the journey is even more exciting: making it yours and filling it with memories.





With so much happening while you unpack and personalize your home, here are a few tips that are easy for new homeowners to forget about. Following these will help you start good habits in your new home:

- Figure out what your maintenance needs are (appliances, HVAC, etc.) and stay on top of it from the beginning.
- Figure out where to make mortgage payments and how to set up auto-pay if desired. You'll receive correspondence in the mail from the final servicer (the company that holds your loan afterwards if your lender sells it).
- Find your main water shutoff valve and electrical panel.
- Check smoke and carbon monoxide detectors.
- Make a homeowner's binder with insurance papers, instruction manuals, repair receipts and everything else that could come in handy.
- Get to know, and make friends with, your neighbors.

Also, throw yourself a housewarming party! This is a big accomplishment, and you should celebrate it.