

First Time Home Buyer Florida

Being a first time home buyer can certainly be a daunting notion, specifically if you jump in it not prepared without having done any analysis. Fortunately, if you are reading this, you are likely seeking information to get ready for your first time home buying experience.

Your experience on buying your first home will involve various fundamental points of interest. Unless you're shelling out cash for your house, you will definitely be needing financing from a lender. This can require you to analyze your financial situation to first evaluate if you're in a position to purchase, and then to determine the amount of house you can afford. Banking institutions will look at several things to determine your approval or denial. These factors include the following.

- Credit score
- Down payment
- Income
- Debts

Normally, to get a conventional loan, you will want to have a credit score that is at least 620. Your debt to income ratio if at all possible should be 36% or less. The lower ratio you have, the better your odds of obtaining a loan. Debt to income ratio, or DTI, is the amount of total debt you have as compared with your overall income. This is just as important as your credit score so you should make sure you examine your debts and calculate your DTI so you know beforehand. Banking institutions will likely consider the amount you're going to be applying as a down payment. Preferably 20% is very attractive to loan merchants, but improbable for many. Again, it is advisable to assess your financial situation to find out how much you can afford to put down as well as looking into other methods and resources that can help towards your down payment.

Down payment sources vary from government assistance to private sources. Down payment assistance programs are available from the government at the local, state, and federal levels. Typically, the government has an interest in boosting the economy whether it is national or local. Due to this, government down payment assistance comes along with income limitations and geographical location limitations. Normally, if a particular neighborhood, county, or city is in need of community advancement, then government programs would be offered in those locations in order to promote and give incentive to purchase a home in that area. The downside is that the more pleasing and appealing neighborhoods will likely not fall inside of those locations.

Private down payment assistance is made available by means of not for profit donations, employment benefits, and corporate credits. Although locating a charitable resource for down payment assistance is illusive and the most unlikely of the lot, they do exist out there for those who are fortunate enough to find one. Another private source we frequently see is your employer. Many companies offer down payment assistance as part of an employee benefits

package, therefore if you're not certain, you might want to check your employee benefits to make sure. Finally, there's the corporate incentive down payment assistance that is the most widely obtainable of the private sources. This is usually an incentive from the mortgage company to a buyer for doing business with them. There are various lender programs available so you will need to check with your [mortgage broker](#) for your options and how much assistance can be applied toward your down payment.

As you can see from this information, the biggest challenge you will encounter in this process will probably be your down payment. If after having applied some form of down payment assistance, along with whatever capital you have saved, you still are short of down payment cash, do not forget that it is not uncommon for realtors to ask for a seller concession of some quantity toward your down payment as part of the contract. All the best on your quest, and may you find and obtain the house of your dreams