Generation Wealth Building – Universal Homeownership Readiness Checklist

(NACA, USDA, FHA, VA & Conventional Lender Compliant)

1️⃣Financial Preparation

- ☐ Review full credit reports (Experian, Equifax, TransUnion)
- ☐ Resolve any credit disputes or inaccuracies
- ☐ Eliminate unnecessary debt and avoid new credit lines
- ☐ Save for an emergency fund (3–6 months of expenses)
- ☐ Verify consistent income for past two years
- ☐ Gather two years of tax returns, W-2s, and pay stubs
- ☐ Ensure DTI meets NACA/USDA limits (NACA ≤ 33/40; USDA ≤ 29/41)

2️⃣Documentation Checklist

- ☐ Government-issued photo ID
- ☐ Proof of citizenship or eligible residency
- ☐ Two years of tax returns and recent pay stubs
- ☐ Two months of bank statements
- ☐ Rent verification for 12 months
- ☐ Letter of explanation for any credit gaps
- ☐ Prequalification or NACA Qualification Letter

3️⃣Budget & Counseling

- ☐ Attend NACA or USDA-approved Homebuyer Workshop
- ☐ Complete one-on-one counseling and create Action Plan
- ☐ Demonstrate payment discipline (no missed obligations for 6 months)
- ☐ Develop realistic monthly housing budget
- ☐ Review estimated insurance, taxes, HOA, and maintenance costs

4️⃣Property Eligibility

- ☐ Verify property is in USDA-eligible area (if applicable)
- ☐ Confirm home price within program limits
- ☐ Conduct home inspection and appraisal
- ☐ Ensure all health/safety conditions meet HUD standards

5️⃣ New Construction Requirements

- ☐ Builder must be licensed, insured, and approved by lender or NACA/USDA
- ☐ Submit builder package (license, insurance, contract, and references)
- ☐ Obtain construction plans, specifications, and cost breakdowns
- ☐ Provide one-year (USDA) or two-year (NACA) warranty
- ☐ Inspections required at foundation, framing, and final stages
- ☐ Appraisal must be 'subject to completion' of construction
- ☐ Certificate of Occupancy must be issued before closing
- ☐ All utilities must be installed and functional
- ☐ Builder must sign USDA Form RD 1924-25 (Plan Certification)
- ☐ Borrower signs New Construction Rider acknowledging completion conditions

6️⃣ Ready to Move Forward

- ☐ Review final contract and estimated closing costs
- ☐ Obtain homeowners insurance
- ☐ Review escrow breakdown and amortization schedule
- ☐ Confirm all inspections passed and warranties signed
- ☐ Schedule final walkthrough
- ☐ Sign closing documents and receive keys 🏠

7️⃣ Compliance Notes

- ☐ Construction may not begin until loan commitment is issued
- ☐ Borrower cannot act as their own builder under NACA or USDA
- ☐ Equal Housing Opportunity and Fair Lending rules apply
- ☐ USDA Form RD 3555-16 required for builder approval
- ☐ NACA must pre-approve general contractor before construction