



# FIRST TIME HOMEBUYER FAQS

**Buying a home for the first time? The Cypress Ascendant Services team is built of experienced professionals who can answer your title and closing questions. We are committed to help you navigate your closing efficiently, effectively and successfully. Let's start the journey!**

## **RENT VERSUS BUY?**

A home is an investment which can grow in value over time. As a homeowner, you may be able to deduct the cost of your mortgage loan interest and property tax from your federal and/ or state income taxes. When you rent, your monthly rent check is gone when your check is cashed.

## **ARE YOU READY TO OWN A HOME?**

Ask yourself a few questions to decide:

- *Do I have a steady source of income? Have I been employed on a regular basis for the last 2-3 years? Is my current income reliable?*
- *Do I have a good record of paying my bills? Do I have few outstanding long-term debts, like car payments?*
- *Do I have money saved for a down payment? Do I have the ability to pay a mortgage every month, plus additional costs?*

If you can answer “yes” to these questions, you are probably ready to buy your own home.

## **WHAT IS TITLE INSURANCE AND WHY DO I NEED IT?**

An owner’s policy of title insurance protects the buyer against loss for title threats undiscovered at the time of closing and provides a defense in the event of claims against the title pursuant to the terms of the policy.

## **HOW MUCH MONEY WILL I NEED UPFRONT TO BUY A HOME?**

There are three main expenses for consideration: earnest money (variable), down payment, and closing costs.

## **IN ADDITION TO THE MORTGAGE PAYMENT, WHAT OTHER COSTS DO I NEED TO CONSIDER?**

Other considerations include utilities, property taxes, homeowners insurance, maintenance costs, and possibly homeowner association or condo association dues.

## **HOW ARE PRE-QUALIFYING AND PRE-APPROVAL DIFFERENT?**

Pre-qualification is an informal way to see how much you may be able to borrow. A pre-approval is the lender’s commitment to lend to you.

## **HOW DO I FIND A GOOD REAL ESTATE AGENT?**

A good real estate professional helps you navigate through the entire process. Whether selling or buying a home, the process can be daunting. Find an agent who listens well and understands your needs. The ideal agent knows the local area well and has resources and contacts to help you in your search.