HONEYWAY

FIRST-TIME HOME BUYER'S GUIDE

A clear path from planning to keys

Buying your first home comes with a lot of new language, deadlines, and decisions. This guide turns the process into practical steps so you can prepare your finances, choose the right team, evaluate homes carefully, and close with confidence.

Prepared by HoneyWay

Local knowledge. Honest guidance. The whole way home.

Shenandoah Valley and Northern Virginia

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Equal Housing Opportunity

Welcome home, before you even start

Your first purchase does not need to feel mysterious. The process is manageable when you know what happens next, what decisions belong to you, and which professionals should answer which questions.

HoneyWay's approach is personal and practical: understand your goals, explain the tradeoffs, keep the details moving, and tell you the truth when a home or a deal does not fit. Use this guide as a workbook, not a rulebook. Write in it. Mark the checklists. Bring it to lender calls, tours, inspections, and closing.

> **HoneyWay perspective:** The goal is not to buy the most house a lender will approve. The goal is to buy a home that supports the life you want and leaves room for everything else that matters.

What is inside

1. The home buying roadmap
2. Readiness, goals, and timing
3. Budgeting, credit, and cash planning
4. Mortgage choices and lender shopping
5. Choosing an agent and building your search
6. Offers, inspections, appraisal, and title
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8. FAQs, glossary, checklists, and worksheets

Three numbers to choose before you tour

- **Comfort payment:** the total monthly housing amount that works in your real budget.
- **Cash reserve floor:** the savings you will not spend at closing.
- **Walk-away number:** the maximum price or monthly cost you will not exceed under pressure.

Important notice

This guide is general educational information, not legal, tax, financial, lending, insurance, appraisal, engineering, or inspection advice. Programs, rates, forms, laws, contract terms, and eligibility rules change. Your purchase contract controls your rights and deadlines. Confirm current information with your agent, lender, settlement agent or attorney, inspector, insurance professional, tax adviser, and the appropriate government agency. Nothing in this guide creates a brokerage relationship; that begins only through a fully executed written agreement.

Updated July 18, 2026.

The home buying roadmap

Every purchase is different, but most first-time buyers move through the same sequence.

1. Get oriented

Clarify why you want to buy, how long you may stay, where you need flexibility, and what ownership will change in your budget.

2. Prepare your finances

Review credit, reduce avoidable debt, build savings, document income and assets, and choose a monthly payment that feels sustainable.

3. Assemble your team

Interview buyer agents and lenders. Understand the written buyer agreement, services, compensation, communication, and how decisions will be made.

4. Get preapproved and compare loans

Ask lenders what they verify, which loan programs fit, and how much cash you will need. A preapproval is helpful, but it is not a final loan commitment.

5. Search with a plan

Separate needs from preferences. Tour homes, study locations, estimate insurance and utility costs, and compare total ownership costs rather than list price alone.

6. Make a written offer

Your offer becomes a contract if accepted. Price matters, but so do financing, inspection, appraisal, title, settlement date, concessions, and every deadline.

7. Complete due diligence

Schedule inspections promptly, review disclosures and association documents, investigate title and property issues, and make decisions within contract deadlines.

8. Finish the loan

The lender verifies you, the property, and the transaction. Respond quickly, preserve your finances, review the appraisal, secure insurance, and satisfy conditions.

9. Review and close

Compare the Closing Disclosure with the Loan Estimate, verify wire instructions by a trusted phone number, complete the final walkthrough, sign, fund, and receive the keys as the contract directs.

10. Settle into ownership

Transfer utilities, store documents, change locks, learn shutoffs and systems, build a maintenance calendar, and rebuild the savings used for the purchase.

> **Typical timing:** Preparation may take weeks or months. Once under contract, many financed purchases close in roughly 30 to 60 days, but the contract, loan, property, and local conditions control the actual schedule.

Are you ready to buy?

Homeownership can offer stability, control, and the chance to build equity. It also concentrates money in one asset and makes you responsible for repairs, taxes, insurance, and the cost of selling when plans change. Readiness is more than qualifying for a loan.

Start with your why

Finish these sentences before you talk about bedrooms or finishes:

- I want to buy because ____.
- I expect to stay in the area for approximately __________________________.
- The life change this home needs to support is __________________________.
- The flexibility I cannot give up is __________________________________.
- I would pause the purchase if ______________________________________.

Readiness check

[ ] My income is reasonably stable and documentable.
[ ] I can cover the expected monthly payment without stopping retirement or essential savings.
[ ] I have money for the purchase and separate emergency reserves.
[ ] I understand that taxes, insurance, association dues, utilities, and repairs can increase.
[ ] I can handle a repair soon after closing without relying on high-cost debt.
[ ] I expect to remain long enough for buying to make sense for my circumstances.
[ ] I am willing to maintain the property and make decisions with other owners, if any.
[ ] I know which life events could change my plan in the next two to three years.

Reasons to slow down, not give up

You may benefit from more preparation if your income is changing, your credit reports contain errors, you have very little cash after closing, a job move is possible, your monthly budget already feels tight, or you are buying mainly because of outside pressure. A pause can protect your options.

If you are buying with someone else

Discuss ownership, contributions, decision rights, maintenance, exit plans, and what happens if the relationship or finances change. Marriage does not answer every title or estate-planning question, and unmarried co-buyers need especially clear written advice. Ask a Virginia attorney how title, survivorship, estate planning, and a co-ownership agreement may apply.

> **HoneyWay conversation starter:** Where do you want your life to feel easier after you move? The answer often reveals better search criteria than a list of features.

Build a budget that survives real life

A lender decides what fits its underwriting standards. You decide what fits your priorities, savings goals, transportation, child care, travel, health needs, and tolerance for uncertainty.

Calculate the total monthly housing cost

Do not stop at principal and interest. Estimate:

- Mortgage principal and interest
- Property taxes
- Homeowners insurance
- Mortgage insurance, if applicable
- Flood or other supplemental insurance, if applicable
- HOA or condominium dues
- Ground rent or special assessments, if applicable
- Utilities that change with the property
- Routine maintenance and a repair reserve

Taxes, insurance, and association costs may rise. Escrow can make some costs part of the lender payment, but it does not make them fixed.

Use a comfort-payment test

1. Write your average monthly take-home income.
2. Subtract fixed obligations and realistic variable spending.
3. Keep contributions for emergency savings, retirement, and near-term goals.
4. Add an ownership reserve for maintenance and repairs.
5. The amount left is a starting point for your comfort payment, not a target you must spend.

Stress-test the number

Ask whether the plan still works if:

- The insurance premium or tax escrow increases.
- A vehicle, roof, HVAC system, or appliance needs attention.
- One income drops temporarily.
- Child care, commuting, or health costs change.
- An HOA approves a special assessment.

Separate your savings into buckets

Purchase funds: earnest money, down payment, closing costs, prepaids, inspections, appraisal, moving, and immediate work.

Emergency reserve: money left after closing for income interruptions and non-house emergencies.

Home reserve: money for maintenance, deductibles, and repairs.

> **HoneyWay guardrail:** If the plan works only when nothing goes wrong, the plan is not ready yet.

A practical savings sequence

[ ] Cover near-term bills and minimum debt payments.
[ ] Build an initial emergency buffer.
[ ] Correct credit-report problems and reduce high-cost revolving debt.
[ ] Save for purchase costs.
[ ] Protect the reserve floor you chose before touring.
[ ] Plan to rebuild savings immediately after closing.

Credit: prepare the file, not just the score

Mortgage lenders look at credit scores, but the report behind the score matters too: payment history, balances, limits, account age, recent inquiries, collections, public records, and disputed information.

Start early

Get reports from all three nationwide credit bureaus at AnnualCreditReport.com. Checking your own report does not hurt your score. Review names, addresses, accounts, balances, payment history, and signs of identity theft.

If you find an error

1. Gather statements or records that support the correction.
2. Dispute the item with the credit bureau and, when appropriate, the company reporting it.
3. Keep copies and track dates.
4. Tell your lender before disputing an item during mortgage underwriting; an active dispute can affect the loan file.

Habits that usually help

- Pay every bill on time.
- Keep credit-card balances low relative to limits.
- Avoid maxing out a card even if you pay it off soon.
- Keep older no-fee accounts open unless your adviser recommends otherwise.
- Ask a lender before paying or settling an old collection; the best action depends on the file.
- Keep mortgage shopping within a focused period. CFPB guidance notes that multiple mortgage checks within a 45-day window are generally recorded as a single inquiry.

Avoid while preparing and under contract

- New credit cards, auto loans, furniture financing, or buy-now-pay-later plans
- Co-signing for another person
- Large unexplained cash deposits
- Moving money between accounts without a clear paper trail
- Closing accounts or changing repayment plans without lender guidance
- Missing a payment because autopay or an address changed

About minimum scores

There is no single score for every mortgage. Loan program rules, automated underwriting, lender overlays, down payment, reserves, debt-to-income ratio, and the rest of the application all matter. FHA policy may allow maximum financing at a 580 decision score and lower financing at 500 to 579, but individual lenders may require higher scores. Ask what the lender requires for the specific program and pricing, not just whether approval is possible.

> **HoneyWay tip:** Ask the lender, "What are the three most valuable things I can do to improve this file, and what should I avoid changing?"

Mortgage basics in plain language

Fixed rate or adjustable rate

Fixed-rate mortgage: The interest rate does not change during the loan term. Principal and interest are predictable, though taxes, insurance, and association costs may change.

Adjustable-rate mortgage (ARM): The rate can change after an initial period based on the note's index, margin, adjustment schedule, and caps. Understand the highest possible payment, not only the starting payment.

Common purchase-loan categories

Loan type	Often worth exploring when	Questions to ask
Conventional	You want broad property options or cancellable private mortgage insurance and can meet program requirements. Some qualified buyers may put as little as 3% down.	What are the PMI cost and cancellation rules? Does an income limit or education requirement apply?
FHA-insured	A smaller down payment or more flexible credit standards may help. FHA permits down payments as low as 3.5% for qualifying borrowers.	What mortgage insurance applies, for how long, and how do total costs compare with conventional?
VA-backed	You are an eligible service member, veteran, or survivor. Many eligible purchases close with no down payment and no monthly PMI.	Is a funding fee due or waived? What are occupancy, appraisal, and property requirements?
USDA Rural Development	Household income and the property meet program rules for an eligible rural area. Qualifying buyers may receive 100% financing.	Is the address eligible? What income, guarantee fee, property, and timing requirements apply?

These are not the only choices. Renovation loans, construction loans, portfolio products, state housing-finance programs, and local assistance may fit certain buyers.

Terms that change the cost

- **Loan term:** A shorter term often has a higher payment but less total interest; compare actual offers.
- **Interest rate:** The percentage used to calculate interest.
- **APR:** A broader annualized cost measure that includes the rate and certain fees; use it with, not instead of, the full Loan Estimate.
- **Points:** Upfront fees paid for a lower rate. Calculate the break-even period and consider how long you expect to keep the loan.
- **Lender credits:** A lender may cover some upfront costs in exchange for a higher rate.
- **Rate lock:** A time-limited agreement on the rate and points, subject to conditions. Ask who pays if the closing is delayed.

Compare the whole package: cash to close, total monthly payment, five-year cost, mortgage insurance, rate-lock terms, servicing, and the loan's flexibility.

Shop lenders and get meaningfully preapproved

Prequalification and preapproval are used differently by different lenders. Ask what was actually reviewed. A useful letter is based on verified credit, income, assets, and debts and is still subject to the property, underwriting, and no material financial changes.

Interview at least three lenders

Request the same scenario so you can compare apples to apples:

- Same purchase price and down payment
- Same loan type and term
- Same occupancy and property type
- Same lock period and assumed closing date
- Same credit and income information
- Same treatment of points and lender credits

Questions to ask

- Which loan programs fit this file, and why?
- What is the estimated total monthly payment, including taxes and insurance?
- What cash will I need for the down payment, closing costs, prepaids, and reserves?
- Which costs can change and which can I shop for?
- What mortgage insurance or funding fees apply?
- Is the rate locked? Until when? What are extension costs?
- What are your average underwriting and closing timelines?
- Who will communicate with me after application?
- What assistance programs might fit, and how do they affect rate, fees, repayment, and resale?

Understand the Loan Estimate

For most covered mortgages, the lender must provide a Loan Estimate within three business days after receiving the six pieces of information that constitute an application. Use the form to compare:

- Loan amount, rate, and whether the rate can change
- Projected principal-and-interest and total payment
- Prepayment penalty or balloon payment
- Estimated closing costs and cash to close
- Origination charges and points
- Services you can and cannot shop for
- Lender credits
- APR and total interest percentage

You do not need a signed purchase agreement to request a Loan Estimate, but a property address is one of the six application items. Ask lenders how they handle an address before you are under contract.

Keep your price below the letter if that protects your life

The preapproval amount is a ceiling based on the lender's assumptions, not a recommendation. Set your own search ceiling from the comfort payment and reserve floor.

Plan the cash to close

The down payment is only one part of the cash you may need.

Common cash categories

Before closing: earnest-money deposit, inspections, specialized tests, appraisal, survey if ordered, and insurance deposits.

At closing: remaining down payment, lender and settlement charges, title costs, government recording or transfer charges, prepaid interest, initial escrow deposits, and adjusted taxes or association items.

After closing: moving, utility deposits, locks, window coverings, tools, immediate repairs, furnishings, and replenishing reserves.

Earnest money is typically credited toward the funds due at closing if the transaction closes. Whether it is refundable depends on the contract, contingencies, notices, and deadlines.

Down payment assistance: compare the fine print

Assistance can be a grant, forgivable loan, deferred second mortgage, repayable second mortgage, lender credit, employer benefit, or local program. Ask:

- Is repayment required? When?
- Is there interest or shared appreciation?
- Does a sale, refinance, move-out, or early payoff trigger repayment?
- Are there income, location, price, credit, education, or occupancy limits?
- Does it change the first-mortgage rate or fees?
- Can it be combined with gifts, seller concessions, or other assistance?
- How much extra processing time is required?

Virginia Housing note

Virginia Housing offers homebuyer education and loan or assistance options for qualified borrowers. Current offerings include grants and a Plus Second Mortgage, but eligibility, income limits, sales-price limits, credit requirements, funding, and program terms can change. Work with a Virginia Housing-approved lender and verify the rules for the property and household before relying on funds.

The Virginia Housing homebuyer class is free and available online or in person. Education is required for many Virginia Housing loans and assistance programs; confirm who must complete it and by what deadline.

Gift funds

Loan programs commonly require a gift letter and evidence showing the source and transfer. Do not move money casually. Ask the lender for instructions before the donor sends funds.

> **HoneyWay cash rule:** Keep the emergency reserve visible on the plan. Do not let a competitive offer quietly spend it.

Choose the right buyer's agent

A buyer's agent should help you understand local conditions, organize the search, analyze properties and offers, coordinate deadlines, communicate with the other side, and keep you connected with the lender, inspectors, and settlement team. The agent does not replace those specialists.

Interview questions

- Which areas and property types do you know well?
- How do you help first-time buyers understand the process?
- How many clients are you actively serving?
- Who covers when you are unavailable?
- How quickly will we communicate, and through which channels?
- How do you analyze price and competing-offer risk?
- How do you handle inspection findings and difficult negotiations?
- What services are included, and what is outside your role?
- What does the buyer agreement say about term, termination, and compensation?
- May I speak with recent buyer clients?

The written buyer agreement

Virginia has long required written brokerage agreements. In current practice, buyers working with many MLS participants should also expect to sign an agreement before an in-person or live virtual tour. Read it before you are standing in a driveway.

The agreement should explain:

- The scope of the relationship and services
- Whether it is exclusive or non-exclusive
- The property type or geography covered
- Start date, termination date, and cancellation terms
- The broker's compensation and when it is earned or payable
- Whether another party may pay some or all of that compensation
- What happens if the outside payment is less than the agreed amount
- Duties, confidentiality, dual or designated agency, and dispute terms

Broker compensation is negotiable and is not set by law. A buyer may request that a seller or listing brokerage contribute toward buyer-broker compensation, subject to the seller's agreement and the purchase terms. Do not assume the seller will pay it. Know your possible obligation before touring or offering.

Signs of a good fit

- Explains rather than pressures
- Distinguishes facts from opinions
- Respects your budget and walk-away points
- Encourages appropriate due diligence
- Identifies what needs a lender, attorney, inspector, engineer, insurer, or tax professional
- Communicates clearly when the answer is "we need to verify"

HoneyWay promise of process: You deserve honest guidance and a clear explanation of the tradeoffs, including when walking away may be the best decision.

Build a smarter home search

The best search criteria describe how you need to live, not just how a listing needs to look.

Sort the criteria

Must have: A true requirement tied to safety, accessibility, work, household size, financing, or daily life.

Should have: Important, but a strong home may justify compromise.

Nice to have: A bonus that should not distract from fundamentals.

Deal breaker: A condition you will not accept even when the home is attractive.

Evaluate the location for yourself

Ask about commute patterns, road access, utilities, broadband, noise, nearby land uses, taxes, flood risk, zoning, planned development, and services. Verify school assignments directly with the school division because boundaries and assignments can change.

Fair housing laws limit how real estate professionals can characterize neighborhoods or steer buyers. Define the objective information that matters to you, then use public agencies, maps, visits, and your own observations to make the decision.

Look beyond list price

Two homes at the same price can have very different monthly and long-term costs. Compare:

- Property taxes and insurance estimates
- HOA or condominium dues and special assessments
- Heating fuel, water, sewer, well, and septic
- Roof, HVAC, windows, appliances, and exterior maintenance
- Commute and transportation
- Near-term repairs or improvements
- Flood, wind, or other supplemental insurance

Tour with a repeatable routine

1. Notice the street, drainage, grading, neighboring uses, and exterior before entering.
2. Check layout, natural light, storage, noise, stairs, and daily flow.
3. Note system ages and visible concerns without trying to diagnose them.
4. Photograph only with permission and remember that seller cameras may be present.
5. Leave with three notes: best fit, biggest concern, next fact to verify.

Keep emotion and evidence together

It is normal to feel attached. Use a comparison sheet after every serious tour so a beautiful kitchen does not erase a difficult location, unclear addition, or expensive system.

> **HoneyWay tip:** Tour the home. Revisit the area. Price the insurance. Read the documents. The address has to work after the staging is gone.

Property due diligence in Virginia

Virginia's standard residential property disclosure is largely a "buyer beware" notice rather than a detailed condition questionnaire. Sellers may still have specific affirmative disclosure duties, and some transactions are exempt. The practical lesson is simple: investigate the property carefully and within the contract deadlines.

Verify what matters

[ ] Physical condition and major systems
[ ] Permits and approvals for additions or finished space
[ ] Zoning, setbacks, lot coverage, and intended use
[ ] Survey, boundaries, easements, shared drives, and encroachments
[ ] Water source, sewer or septic, and service history
[ ] Flood zone and broader drainage or stormwater concerns
[ ] Radon, lead, mold, pests, or environmental issues when relevant
[ ] Taxes, special tax districts, and pending assessments
[ ] HOA or condominium rules, fees, reserves, insurance, violations, and litigation
[ ] Internet, cell service, utilities, and road maintenance
[ ] Historic-district or conservation restrictions

Common-interest communities

For many Virginia resales in an HOA or condominium, a resale certificate provides governing documents, fees, assessments, insurance information, violations, and other association details. The cancellation period is short and delivery timing matters. Virginia law supplies a three-day default in certain circumstances when the contract does not specify another period, but the contract can control the timeframe. Read the package immediately and ask your agent or attorney to identify the exact deadline.

Look for:

- Current and proposed dues or special assessments
- Reserve funding and major planned projects
- Rental, parking, pet, architectural, sign, and use restrictions
- Owner insurance obligations and association deductibles
- Pending litigation, violations, or maintenance disputes

Older and rural homes

For most pre-1978 housing, federal lead rules require known information and an opportunity for a lead inspection or risk assessment. Radon can occur in any home; testing is the only way to know the level. For private wells and septic systems, consider water quality, well yield or flow, septic inspection, pump history, drainfield location, and replacement-area requirements with qualified professionals and the local health department.

Flood and insurance

A lender may require flood insurance for a structure in a Special Flood Hazard Area. Standard homeowners insurance typically does not cover flood damage. Ask an insurer about the specific address early, even if flood insurance is not lender-required.

Make an offer you understand

An offer is a package of price, risk, time, and certainty. Once accepted and ratified, it is a binding contract. Slow down long enough to understand every blank, deadline, and contingency.

Core offer terms

- Purchase price and financing type
- Earnest-money amount, holder, and deposit deadline
- Down payment and loan amount
- Seller-paid costs or other concessions requested
- Buyer-broker compensation request, if any
- Inspection rights and deadlines
- Financing and appraisal terms
- Title, survey, association, and disclosure provisions
- Settlement date and possession
- Personal property included or excluded
- Home-sale or other contingencies
- Default, notice, and dispute provisions

Price the home, not the competition

Review recent comparable sales, current competition, property condition, time on market, price changes, and seller priorities. A competitive market may change strategy, but it does not change the home's condition or your budget.

Contingencies are risk tools

Financing contingency: May protect you if financing cannot be obtained under the contract terms and you comply with all duties and deadlines.

Appraisal protection: May address what happens when lender value is below the price.

Inspection contingency or inspection right: Defines whether you may negotiate, accept, terminate, or inspect for information only.

Home-sale contingency: Makes the purchase dependent on selling another property.

Waiving or narrowing a contingency can make an offer more attractive and can transfer significant financial risk to you. Do not waive protection simply because it is common in a multiple-offer situation. Ask what the worst-case dollar exposure would be.

Before signing

[ ] I understand the total possible cash obligation.
[ ] The lender has reviewed the price, property type, concessions, and timeline.
[ ] I know each contingency and notice deadline.
[ ] I know when the earnest money can be at risk.
[ ] I know what stays with the property.
[ ] I understand any appraisal-gap commitment or escalation language.
[ ] I have not relied on a verbal promise that is absent from the contract.
[ ] I know which questions require legal advice.

HoneyWay question: If the seller accepts this exactly as written, are you comfortable with every term?

Inspection: learn the house before you own it

A home inspection is a broad visual evaluation of condition. It is not an appraisal, code-compliance certificate, warranty, or guarantee that nothing will fail.

Hire an independent Virginia-licensed inspector

Review license status, experience with the property type and age, sample reports, scope, exclusions, insurance, availability, and whether the inspector carries the New Residential Structure specialty when relevant. Attend if possible.

What the general inspection may cover

- Structure, foundation, roof, attic, and exterior
- Electrical, plumbing, and visible HVAC components
- Interior walls, floors, ceilings, windows, doors, and stairs
- Appliances included in the scope
- Drainage, grading, and visible moisture indicators
- Safety concerns and items needing specialist review

Specialized evaluations to consider

Property and findings may justify additional review by a roofer, structural engineer, electrician, plumber, HVAC contractor, chimney professional, pest company, sewer-scope provider, septic professional, well or water-testing specialist, radon tester, mold assessor, lead professional, surveyor, arborist, or other qualified expert.

Read the report in three passes

1. **Safety and major systems:** issues that affect occupancy, structure, water, electrical, roof, or major expense.
2. **Specialist and uncertainty:** items the inspector could not see, test, or diagnose.
3. **Maintenance and planning:** smaller items that help build the first-year work list.

Choose a response strategy

Your rights depend on the contract. Options may include accepting the property, requesting repairs, requesting a credit or price change, asking for more evaluation, or terminating when the contract permits.

Prioritize material issues. If repairs will be completed before closing, define the work, contractor qualifications, permits, receipts, reinspection, and what happens if work is incomplete. A credit can give you control, but lender and appraisal rules may limit it, and the credit may not cover the real cost.

> **Do not confuse "as is" with "no inspection."** Depending on the contract, you may still be able to inspect for information even when the seller will not make repairs. Understand the exact language before signing.

Appraisal, title, survey, and insurance

These steps answer different questions. None replaces the others.

Appraisal: does the value support the loan?

The lender typically orders a valuation to assess the collateral. The appraiser is independent and does not perform a full home inspection. You are entitled to receive a copy of the appraisal or other valuation used by the lender.

If value is below the contract price, possible paths may include:

- Review the report for factual errors or missing comparable information.
- Ask the lender about a reconsideration-of-value process.
- Renegotiate the price or other terms.
- Bring additional cash if permitted and financially wise.
- Use contractual appraisal or financing rights when available.

The contract and loan determine your options and deadlines. Do not assume a low appraisal automatically cancels the deal or requires the seller to reduce the price.

Title: are you receiving the ownership promised?

The settlement or title professional searches public records, works to resolve title issues, prepares closing documents, handles funds, and records the deed and deed of trust. A lender's title policy protects the lender. An owner's policy protects the buyer subject to its terms, exceptions, and exclusions.

Virginia purchasers and borrowers have the right to select the settlement agent. Virginia consumers also choose the title insurance company, although a particular settlement agent may represent only certain insurers. Ask about fees, coverage, exclusions, survey matters, and possible reissue credits.

Survey: where are the legal lines and improvements?

A survey can identify boundaries, improvements, easements, encroachments, and some setback issues. A lender or title company may not require one, but that does not mean it lacks value. Discuss the property and owner's title coverage with the settlement agent or attorney.

Insurance: can you protect and afford the address?

Get a property-specific quote early. Ask about dwelling limits, replacement cost, deductibles, water backup, sewer or service line, roof settlement, wind, flood, personal property, liability, and discounts. Claims history, property condition, roof age, location, and other factors can affect availability or cost.

> **HoneyWay checkpoint:** Clear-to-close financing is not the same as clear title, acceptable condition, or affordable insurance. Track each workstream.

Underwriting: protect the approval

Underwriting is the lender's verification that the borrower, property, and transaction satisfy the loan requirements. The underwriter may ask for updated or additional information even if you were preapproved.

Documents commonly requested

- Government identification and Social Security information
- Recent pay statements and W-2s or tax returns
- Bank, investment, and retirement statements
- Employment verification
- Debt statements and explanations
- Gift letters and transfer evidence
- Homeowners insurance information
- Purchase contract and addenda
- Explanations for deposits, credit inquiries, addresses, or employment history

Self-employed, commissioned, seasonal, variable-income, newly employed, or rental-income borrowers often need more documentation. Ask early.

The under-contract rules

[ ] Pay every bill on time.
[ ] Keep credit-card balances stable or lower.
[ ] Do not open, close, or co-sign credit without lender approval.
[ ] Do not buy a car, furniture, appliances, or improvements on credit.
[ ] Do not change jobs, hours, pay structure, or leave status without telling the lender.
[ ] Do not move or deposit large sums without documenting the source.
[ ] Do not spend the funds reserved for closing.
[ ] Keep insurance and lender requests moving.
[ ] Send complete, legible documents through secure channels.
[ ] Tell the lender immediately about any financial or contract change.

Conditions are normal

An approval with conditions is not a rejection. It means the lender needs specified items before final approval. Respond quickly and ask exactly what will satisfy the condition. Avoid sending partial statements, cropped screenshots, or pages with missing account information unless the lender requests that format.

Clear to close

"Clear to close" usually means major underwriting conditions are satisfied and the loan can proceed to final closing steps. The lender may still verify employment, credit, assets, insurance, or contract changes before funding. Continue the same financial discipline through recording.

> **HoneyWay tip:** Before making any unusual financial move, use one sentence: "I am buying a home and need to check with my lender first."

Close with confidence

Review the Closing Disclosure

For most covered mortgages, you must receive the Closing Disclosure at least three business days before closing. Compare it line by line with the most recent Loan Estimate.

Check:

- Name, property address, loan type, term, and purpose
- Loan amount, interest rate, and rate-lock status
- Monthly principal and interest and projected total payment
- Prepayment penalty or balloon payment
- Closing costs, lender credits, seller credits, and cash to close
- Taxes, insurance, association items, and escrow deposits
- Payoffs, deposits, and other transaction credits

Ask about every difference. Some changes are allowed; errors should be corrected before signing. Request the note, deed of trust, deed, and other key documents in advance when possible.

Stop wire fraud

Criminals impersonate agents, lenders, and settlement professionals with altered wiring instructions.

- Establish the settlement agent's verified phone number early.
- Never rely on a phone number or link in a last-minute email.
- Call the trusted number and read back the bank, routing, account, and amount.
- Treat changed instructions as a fraud warning.
- Confirm receipt immediately after sending.
- If something is wrong, call the bank and settlement agent at once and report to the FBI's Internet Crime Complaint Center at IC3.gov.

Final walkthrough

This is not a new inspection. Confirm the property is in the expected condition, agreed repairs appear complete, included items remain, the home is substantially empty as required, systems are operating, and no new damage is obvious. Report concerns before signing.

At settlement

Bring approved identification and follow the settlement agent's instructions for funds. Ask questions before signing. You may sign a promissory note, deed of trust, deed or deed-related documents, affidavits, tax and escrow forms, and settlement statements.

There is generally no three-day right to cancel a mortgage used to purchase a home after signing. The three-day rescission rule commonly discussed applies to certain refinances and home-equity transactions, not a typical purchase loan.

Keys and possession

Possession is controlled by the contract and recording or funding practices. Do not assume you may move in immediately after signing; confirm the release process with your agent and settlement professional.

Move in and become the owner

Closing ends the purchase process and begins a long relationship with the property.

Before the move

[ ] Confirm possession and key-release timing.
[ ] Transfer electricity, gas, water, sewer, trash, and internet.
[ ] Arrange movers, insurance, parking, and building access.
[ ] Update mail and important accounts.
[ ] Keep identification, closing documents, medication, valuables, and essential tools with you.
[ ] Avoid scheduling contractors before you legally have possession.

First 48 hours

- Change or rekey exterior locks and update codes.
- Locate water, gas, and electrical shutoffs.
- Test smoke and carbon-monoxide alarms and replace batteries as appropriate.
- Confirm fire extinguishers and escape plans.
- Photograph meter readings and the home's condition.
- Identify the main drain, sump pump, septic access, well equipment, and filters as applicable.
- Secure garage remotes, mailboxes, gates, and smart-home accounts.

First 30 days

- Save the signed contract, Closing Disclosure, note, deed, title policy, survey, appraisal, inspection, warranties, and repair receipts.
- Verify the recorded deed information with the settlement agent.
- Create a maintenance calendar for filters, gutters, HVAC service, septic care, chimney, pest checks, and seasonal tasks.
- Complete high-priority safety and water-management work first.
- Build a list of trusted contractors before an emergency.
- Begin replenishing emergency and home reserves.
- Watch for deed-copy or home-warranty solicitations that resemble official bills; verify before paying.

Ongoing money habits

Review the annual escrow statement, tax assessment, insurance renewal, association budget, and mortgage statements. Keep records for improvements and major repairs. If you later want to remove conventional PMI, ask the servicer about requirements; federal rules may permit a request when the scheduled balance reaches 80% of original value, with conditions, and generally require automatic termination at 78% if current. FHA and other loan types follow different rules.

When payment trouble appears

Contact the mortgage servicer early. HUD-approved housing counselors can help evaluate options, often at little or no cost. Avoid anyone who guarantees foreclosure prevention, tells you to stop paying, or demands upfront fees for relief.

> **HoneyWay after-close habit:** Small maintenance completed early is usually easier than emergency work completed late.

Frequently asked questions: planning and financing

How is a "first-time buyer" defined?

It depends on the program. Many programs treat someone as first-time if they have not owned a principal residence during the previous three years, with possible exceptions. Ask the program administrator or lender for the exact definition.

Do I need 20% down?

No. Qualified conventional buyers may have options as low as 3%, FHA as low as 3.5%, and eligible VA or USDA buyers may have no-down-payment options. Lower down payments can add mortgage insurance or fees and leave less initial equity. Compare total cost and keep reserves.

How much house can I afford?

Start with a comfortable total monthly payment, not a price. Include taxes, insurance, mortgage insurance, dues, utilities, maintenance, and savings. The lender's maximum approval may be higher than your personal maximum.

Does checking my own credit hurt my score?

No. Reviewing your own reports or scores uses a soft inquiry. A lender's mortgage inquiry is different.

Should I pay off every debt before applying?

Not automatically. Paying a debt can reduce cash reserves or change the credit profile. Ask a lender to model which action improves qualification or pricing before moving money.

What is the difference between prequalification and preapproval?

Lenders use the terms differently. Ask what information was verified, whether credit was reviewed, what assumptions remain, and how long the letter is valid. Neither is final approval.

Should I choose the lowest rate?

Not without comparing points, fees, lender credits, mortgage insurance, lock terms, cash to close, and how long you expect to keep the loan. The lowest advertised rate may not be the lowest-cost loan.

Can family help with the down payment?

Many programs allow documented gift funds from eligible donors. The lender will specify the gift letter, source, transfer, and donor requirements. Follow those instructions before funds move.

Can I use retirement money?

Possibly, depending on the account, plan rules, taxes, penalties, and loan guidelines. A withdrawal or loan can affect long-term savings and qualification. Consult the plan administrator, lender, and tax or financial adviser.

Is down payment assistance really free?

Some assistance is a true grant. Other assistance is deferred, forgivable, or repayable and may become due after a sale, refinance, move, or other event. Read the note, deed-of-trust, recapture, and occupancy terms.

Frequently asked questions: search to closing

Do I have to sign a buyer agreement before touring?

In Virginia, written brokerage agreements are required for brokerage relationships, and many MLS participants require one before in-person or live virtual tours. Open houses may be treated differently. Read services, term, termination, and compensation before signing.

Who pays the buyer's agent?

The written buyer agreement establishes the buyer-broker compensation obligation. A seller or listing brokerage may agree to pay some or all of it, or the buyer may request payment in the offer, but it is negotiable and not guaranteed. Know any possible shortfall.

How much earnest money should I offer?

There is no universal amount. Market practice, price, competition, financing, and risk matter. Ask when it is due, who holds it, and when the contract allows release, return, or forfeiture.

Can I back out after an offer is accepted?

Only when the contract, law, or agreement of the parties allows it. Contingencies, notices, and deadlines matter. Get legal advice if you are uncertain.

Should I waive inspection to compete?

Understand the risk before giving up rights. Alternatives may include a shorter inspection period, pre-offer inspection with permission, or inspection for information, but every option has tradeoffs and must be permitted by the contract and seller.

What if the house appraises low?

Your choices depend on the contract and loan. You may review the report, request reconsideration through the lender, renegotiate, add cash, or use a contingency if available. A low appraisal does not automatically change the price.

Do I need owner's title insurance?

The lender's policy protects the lender. An owner's policy protects your interest subject to policy terms and exclusions. Ask the settlement agent or attorney about coverage, survey exceptions, price, and reissue credits.

Why did my cash to close change?

Taxes, insurance, prepaid interest, escrow deposits, credits, appraisal, title work, and final loan terms can change estimates. Compare the Closing Disclosure with the Loan Estimate and ask about every difference.

When do I get the keys?

The contract and local funding or recording process control possession. Confirm timing before scheduling movers.

What if I feel pressured or confused?

Pause. Ask for the document and explanation in writing. Contact the professional responsible for that subject. If you do not understand a legal document, seek legal advice before signing.

Glossary A: offer and property terms

Appraisal
An independent opinion or other valuation of a property's market value, typically obtained for the lender. It is not a home inspection.

Appraisal gap
The difference between the contract price and a lower appraised value. A buyer's obligation depends on the contract and loan.

As is
A term indicating the seller may not agree to repairs or condition changes. It does not automatically define or eliminate every inspection or termination right.

Comparable sales, or comps
Recent sales used to help analyze a property's likely market value.

Contingency
A contract provision making performance dependent on a stated event or condition, usually with deadlines and notice requirements.

Deed
The document that transfers legal title to real property and is recorded in land records.

Deed of trust
The security instrument used in many Virginia mortgage transactions. It secures repayment of the note with the property.

Due diligence
The buyer's investigation of the property, documents, title, costs, and risks before deadlines expire.

Earnest money deposit
Funds delivered after contract as evidence of the buyer's commitment, held and applied or released according to the contract and law.

Easement
A recorded or other legal right allowing someone to use part of a property for a stated purpose.

Escrow
Money held by a neutral party for a transaction, or a lender account used to collect taxes and insurance with the monthly payment.

Final walkthrough
A pre-closing visit to confirm condition, agreed work, and included items. It is not a new inspection contingency unless the contract provides one.

HOA or condominium resale certificate
A Virginia common-interest-community package containing governing documents, fees, assessments, insurance, violations, and other required information for a resale.

Ratification
The point at which all required parties have accepted and delivered the contract as required, creating a binding agreement.

Survey
A professional depiction of boundaries, improvements, and certain recorded or visible property matters.

Glossary B: mortgage and closing terms

Annual percentage rate, or APR
An annualized measure that includes the interest rate and certain loan costs. It helps compare offers but does not replace the Loan Estimate.

Closing Disclosure
The standardized form showing final loan terms, projected payments, closing costs, and cash to close for most covered mortgages.

Debt-to-income ratio, or DTI
Monthly debt obligations divided by gross monthly income. Lenders use it in underwriting; it is not a complete household budget.

Down payment
The portion of the purchase price paid from buyer funds or permitted assistance rather than the first mortgage.

Equity
The property's value minus debts secured by the property. Selling costs also affect the cash an owner may receive.

Lender credit
A credit from the lender toward closing costs, commonly paired with a higher interest rate than the borrower would otherwise receive.

Loan Estimate
The standardized three-page form showing estimated terms, payments, costs, and cash to close for most covered mortgages.

Loan-to-value ratio, or LTV
The loan amount divided by the value used by the lender. Program rules determine how value is measured.

Mortgage insurance
Insurance that protects the lender or guarantor when loan terms require it. Conventional PMI and FHA mortgage insurance follow different rules.

Note, or promissory note
The borrower's written promise to repay the loan under stated terms.

Points
Upfront charges expressed as a percentage of the loan amount. Discount points may reduce the interest rate; origination points compensate the lender.

Prepaid items
Amounts collected at closing for items such as prepaid interest, insurance, and initial escrow deposits. They are not all lender fees.

Rate lock
A lender agreement to hold specified rate and point terms for a period, subject to conditions.

Settlement agent
The qualified professional or entity handling escrow, documents, funds, closing, and recordation. Virginia buyers and borrowers have the right to select the settlement agent.

Underwriting
The lender's review of borrower, property, and transaction information against loan rules.

Master first-time buyer checklist

Before you search

[ ] Define your reason, timing, comfort payment, reserve floor, and walk-away number.
[ ] Review all three credit reports and address errors.
[ ] Build purchase, emergency, and home-repair savings buckets.
[ ] Gather income, asset, debt, tax, and identity documents.
[ ] Interview buyer agents and understand the written agreement.
[ ] Compare at least three lenders and loan scenarios.
[ ] Explore Virginia Housing or other assistance before relying on it.
[ ] Complete required homebuyer education early.

Before you offer

[ ] Confirm payment and cash-to-close estimates for this property.
[ ] Get an early insurance indication.
[ ] Review comparable sales and likely competition.
[ ] Identify disclosures, HOA or condo, flood, well, septic, and property-specific issues.
[ ] Understand price, earnest money, concessions, compensation, contingencies, and deadlines.
[ ] Ask the lender to confirm property type, financing, and settlement timing.
[ ] Read every document and put all promises in writing.

Under contract

[ ] Deposit earnest money exactly as the contract directs.
[ ] Apply for the loan and track every lender deadline.
[ ] Schedule inspection and specialized evaluations promptly.
[ ] Review Virginia disclosures and any resale certificate immediately.
[ ] Make inspection decisions and notices on time.
[ ] Review appraisal and follow up on conditions.
[ ] Select the settlement agent and discuss title insurance and survey.
[ ] Secure homeowners and any required supplemental insurance.
[ ] Preserve credit, cash, employment, and the paper trail.

Before closing

[ ] Compare the Closing Disclosure with the Loan Estimate.
[ ] Verify cash to close and wire instructions by trusted phone number.
[ ] Request and review key documents in advance.
[ ] Complete the final walkthrough.
[ ] Confirm identification, signing location, possession, and key release.
[ ] Transfer utilities and schedule moving after possession is confirmed.

After closing

[ ] Change locks and locate shutoffs.
[ ] Store closing, title, inspection, insurance, survey, and warranty records.
[ ] Build a maintenance calendar and complete safety priorities.
[ ] Rebuild emergency and home reserves.
[ ] Review escrow, taxes, insurance, association budgets, and mortgage statements annually.

Quick worksheets

My monthly comfort payment

Monthly item	Current or estimated amount
Take-home household income	$________________
Non-housing obligations and spending	- $________________
Savings and future goals	- $________________
Maintenance and repair reserve	- $________________
Available for total housing cost	= $________________
My chosen comfort payment	$________________

Include principal, interest, taxes, insurance, mortgage insurance, supplemental insurance, and association dues. Re-test the number with higher taxes or insurance.

My cash plan

Savings bucket	Target	Current	Gap
Down payment	$________	$________	$________
Closing costs and prepaids	$________	$________	$________
Inspections and appraisal	$________	$________	$________
Moving and immediate work	$________	$________	$________
Emergency reserve after closing	$________	$________	$________
Home repair reserve after closing	$________	$________	$________

My search priorities

Must have	Should have	Deal breaker
__________________	__________________	__________________
__________________	__________________	__________________
__________________	__________________	__________________
__________________	__________________	__________________

Serious-home scorecard

Address: ____

Total monthly estimate: $________________ Cash to close: $________________

Best fit: ____

Biggest concern: ____

Next fact to verify: ____

Would I still want this home without the staging? [ ] Yes [ ] No [ ] Unsure

Trusted resources and your next step

Program rules and legal requirements change. These primary sources were used to verify this guide as of July 18, 2026.

National home buying and mortgage resources

- CFPB Buying a House tools
- CFPB Loan Estimate and Closing Disclosure explainers
- HUD Buying a Home and housing counselors
- AnnualCreditReport.com
- HUD FHA loan information
- VA-backed purchase loans
- USDA Rural Development single-family housing
- EPA lead, radon, and septic resources

Virginia resources

- Virginia Housing homebuyer loans, grants, and education
- Virginia DPOR residential property disclosures
- Virginia residential disclosure law
- Virginia resale disclosure law for common-interest communities
- Virginia settlement-agent choice
- Virginia title insurance guide
- Virginia DPOR home inspector licensing
- Virginia Fair Housing Office

Ready for a real conversation?

Whether you are a year away, ready for preapproval, or already saving homes, HoneyWay can help you understand the next practical step. No pressure and no one-size-fits-all script - just a clear conversation about your goals, timing, and the communities you are considering.

Contact HoneyWay

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