



HouseBuyerGuides.com

STEP-BY-STEP GUIDE 1 OF 7

How to Buy a House: A Step-by-Step Guide

The home buying process in 10 steps, from checking your budget and credit to pre-approval, offers, inspection, appraisal and closing day.

10

steps from budget to keys

30–45 days

typical contract to closing

3 business days

to review your Closing Disclosure

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housebuyerguides.com/guides/buying-a-home

SUMMARY

Key takeaways

- 01

Set your budget, check your credit and look for down payment assistance before you tour homes.
-
- 02

Choose a lender that offers the assistance programs you qualify for, then get pre-approved.
-
- 03

Keep inspection, appraisal and financing contingencies in your offer to protect your earnest money.
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- 04

Expect about 30 to 45 days from signed contract to closing, and compare your Closing Disclosure with your Loan Estimate.

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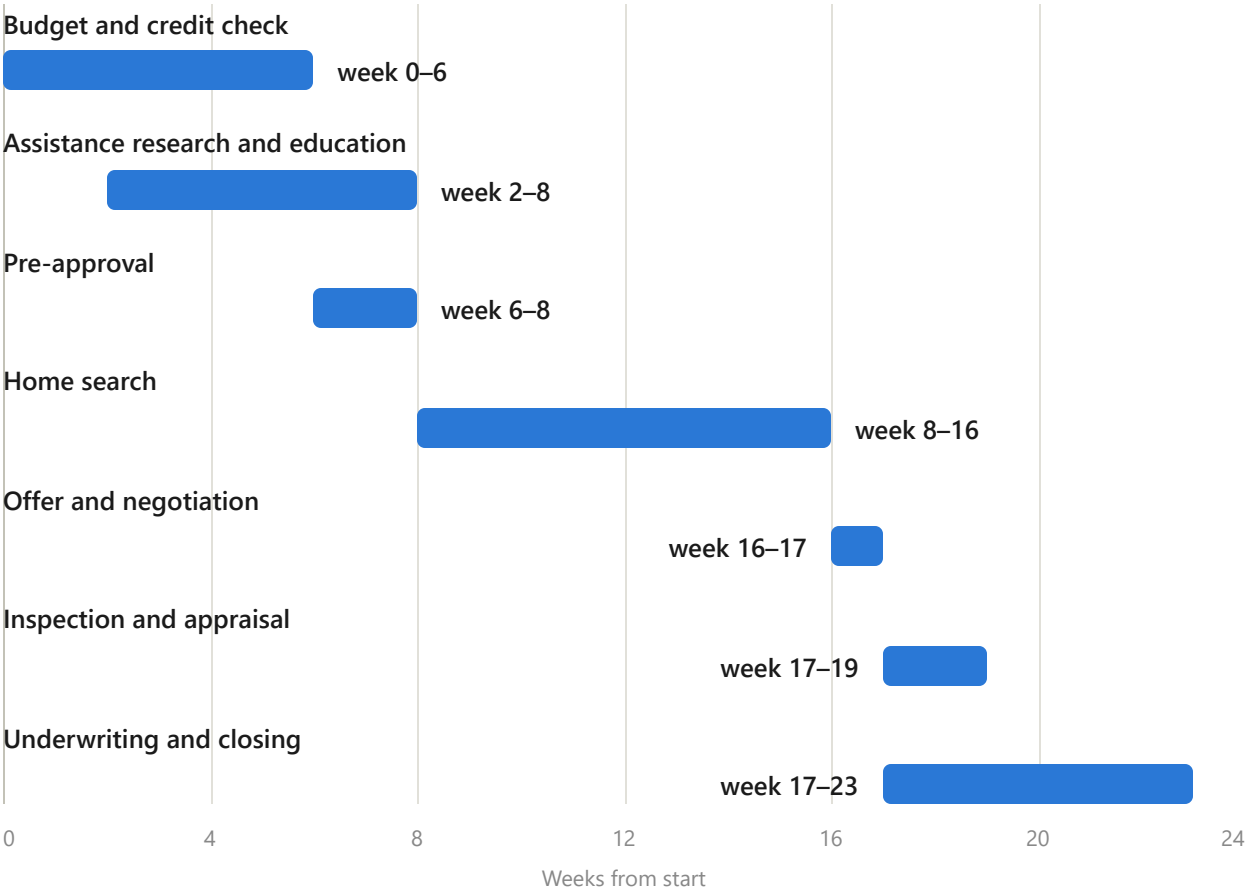
01	Set a budget you can live with
02	Check your credit
03	Look for down payment assistance before you shop
04	Get pre-approved
05	Choose a real estate agent
06	Shop for a home
07	Make an offer
08	Inspect and appraise
09	Finish underwriting and lock your rate
10	Review the Closing Disclosure and close
·	After you move in
·	Frequently asked questions and sources

Buying a home follows the same basic order for almost everyone. The ten steps below are listed in the order most buyers take them. Steps 1 through 3 happen before you tour a single house. Buyers who skip them tend to lose time, offers or money later.

FIGURE 1

A typical home purchase, week by week

Example timeline for a financed purchase. Several steps overlap.



Source: HouseBuyerGuides.com calculations. Example only. Getting ready can take longer if you need to raise a credit score or save. Contract to closing commonly runs 30 to 45 days.

STEP 01 OF 10

Set a budget you can live with

Start with the monthly payment you are comfortable with, not the biggest loan a lender will offer. A mortgage payment usually includes principal, interest, property taxes and homeowners insurance, and it can also include mortgage insurance and HOA dues. Add in the costs that come with owning, such as repairs, utilities and maintenance, which renters often don't pay.

Lenders look at your **debt-to-income ratio (DTI)**: your monthly debt payments, including the new mortgage, divided by your gross monthly income. Many lenders want it at or below about 43%, though some loans allow more. Our [mortgage basics guide](#) walks through the math.

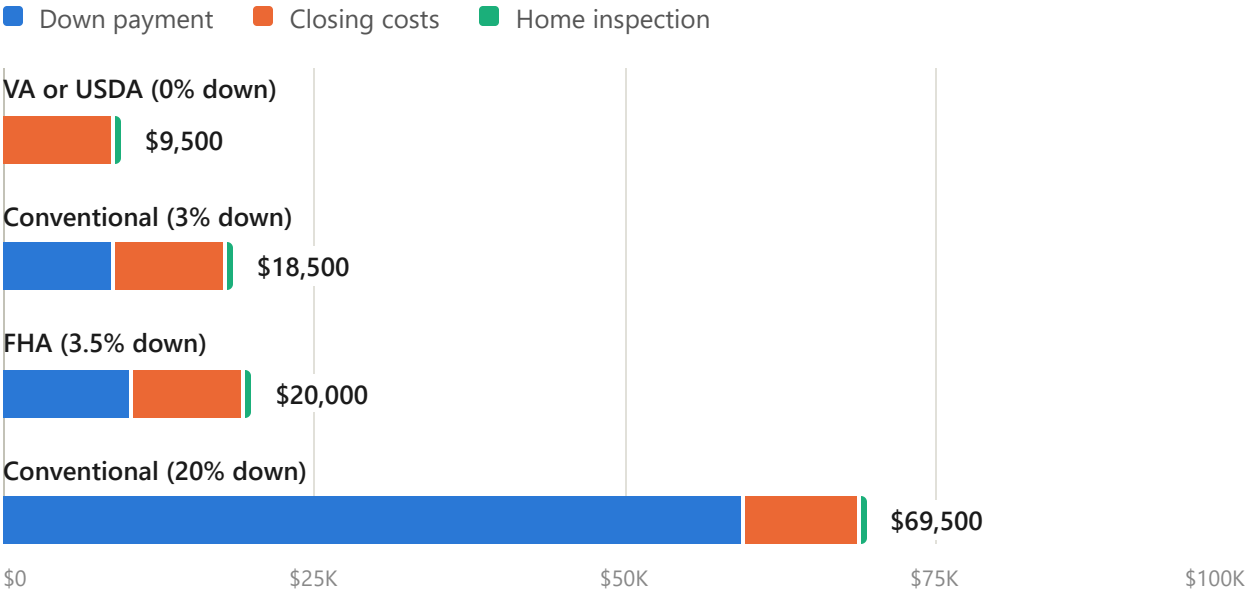
You also need cash for:

- **Down payment.** From 0% (VA and USDA) to 3% or 3.5% (conventional and FHA) up to 20% or more.
- **Closing costs.** Lender, title, appraisal and government fees, plus prepaid taxes and insurance. See the [closing costs guide](#).
- **Earnest money.** A deposit you put down when your offer is accepted. It is credited toward your purchase at closing.
- **Inspection and appraisal.** Usually paid before closing.
- **A cushion.** Money left over after closing for the first repair or a slow month.

FIGURE 2

Cash you need upfront, by loan type

Down payment, estimated closing costs and a home inspection on a \$300,000 home.



Source: HouseBuyerGuides.com calculations. Example: \$300,000 home, 6.5% 30-year fixed rate for every loan type, closing costs estimated at 3% of the price. Real rates, fees and costs vary by lender, loan type and location. VA funding fees and USDA guarantee fees are assumed to be financed. Your earnest money deposit counts toward these totals.

STEP 02 OF 10

Check your credit

Pull your free reports from all three bureaus at AnnualCreditReport.com and dispute anything that is wrong. Minimum scores depend on the loan. FHA allows scores as low as 580 with 3.5% down, conventional loans usually start around 620, and down payment assistance programs often require 620 to 660 or higher. Lenders can set their own minimums above these.

If your score is close to a cutoff, paying card balances down below about 30% of each limit and not opening new accounts before you apply can help. Our [common hurdles guide](#) covers credit fixes in more detail.

STEP 03 OF 10

Look for down payment assistance before you shop

Down payment assistance is the step most buyers skip. State housing finance agencies, cities, counties and nonprofits offer grants and low-cost or forgivable loans for the down payment and closing costs. Most require you to use a participating lender and finish a homebuyer education course, and some have income and price limits.

That changes the order of things. Pick your lender **after** you know which programs you want, because not every lender offers every program. Search your state or city on this site, use the [program finder](#), or read the [down payment assistance guide](#).

Tip: Ask each lender which assistance programs they close most often and how long the program's own review takes. A lender that rarely uses a program can add weeks to your closing.

STEP 04 OF 10

Get pre-approved

A pre-approval is a lender's written statement of how much it is willing to lend you, based on your credit report and documents. You will usually provide:

- Pay stubs from the last 30 days
- W-2s or 1099s from the last two years, and tax returns if you are self-employed
- Two months of bank and investment statements
- Photo ID, and details on any debts, child support or alimony

Talk to at least two or three lenders. Within three business days of a full application, each one must give you a **Loan Estimate**, a standard three-page form that makes rates and fees easy to compare. Shopping several lenders within a short window generally counts as a single inquiry for credit scoring. [Get pre-approved](#) when you are ready.

STEP 05 OF 10

Choose a real estate agent

A buyer's agent finds homes, sets up showings, pulls comparable sales and negotiates for you. Since 2024 you usually sign a written buyer agreement before touring homes, and it spells out how your agent is paid. Read it before you sign. Ask any agent you interview whether they have closed deals that used down payment assistance, because those deals have extra paperwork and deadlines.

STEP 06 OF 10

Shop for a home

Write down your must-haves and your nice-to-haves before you start touring. Look at the things you can't change, such as location, lot, layout and commute, and give less weight to paint and fixtures. If you are using assistance, check the program's purchase price limit and property rules first. Some exclude certain condos, manufactured homes or homes outside a set area.

STEP 07 OF 10

Make an offer

Your agent writes a purchase offer that includes:

- **Price** and any **seller credit** toward your closing costs
- **Earnest money** amount and deadline
- **Contingencies**: inspection, appraisal and financing are the common ones. They let you back out, or renegotiate, without losing your earnest money if something goes wrong.
- **Closing date**, with enough time for any assistance program to approve the file

Expect counteroffers. When both sides sign, you are "under contract," and the contingency deadlines start counting.

STEP 08 OF 10

Inspect and appraise

Home inspection. Hire a licensed inspector to check the structure, roof, systems and safety items. Go to the inspection if you can. Then you can ask for repairs, a credit or a lower price, or cancel within your inspection period.

Appraisal. The lender orders an appraisal to confirm the home is worth the loan amount. FHA, VA and USDA appraisals also check basic safety and condition standards. If the value comes in low, see the [hurdles guide](#) for your options.

STEP 09 OF 10

Finish underwriting and lock your rate

The underwriter verifies everything you told the lender. Answer document requests quickly. **Do not** change jobs, open credit cards, finance furniture or move large sums of money without asking your lender first. Any of those can delay or derail the loan. Lock your interest rate when your lender says you can, and make sure the lock lasts past your closing date.

You will also choose a homeowners insurance policy and, depending on your state, a title company or closing attorney. Lenders require **lender's title insurance**. An **owner's title policy** is optional in most places but protects you, not the lender.

STEP 10 OF 10

Review the Closing Disclosure and close

At least **three business days before closing**, the lender must send your **Closing Disclosure**, which lists your final loan terms and costs. Compare it line by line with your Loan Estimate and ask about anything that changed.

Do a final walk-through within 24 hours of closing to confirm agreed repairs were made and the home is in the condition you expect. At closing you sign the loan documents and pay the remaining funds by wire or cashier's check. Then you get the keys.

Watch for wire fraud. Before you send money, call the title company at a number you already know to confirm the wiring instructions. Fake emails that copy real closing companies are common.

After you move in

Keep your closing documents. Watch for your first payment date, and check that property taxes and insurance are paid from escrow. If you used down payment assistance, note any occupancy period or repayment terms. Selling or refinancing early can trigger repayment.

Frequently asked questions

How long does it take to buy a house?

Plan on a few weeks to several months to find a home, then roughly 30 to 45 days from signed contract to closing for a typical financed purchase. Programs that add a second approval, such as down payment assistance, can add time, so ask the lender for their current timeline.

Should I get pre-approved before I look at houses?

Yes. A pre-approval tells you a realistic price range, and many sellers and agents expect one with any offer. It also surfaces credit or income problems early, while you still have time to fix them.

How much money do I need to buy a house?

You need the down payment, closing costs, earnest money when you make an offer, and money for the inspection and appraisal. Some loans allow very low or zero down payment, and down payment assistance can cover part of the down payment and closing costs.

Can I back out after my offer is accepted?

Usually only through a contingency written into your contract, such as the inspection, appraisal or financing contingency, and only within its deadline. Backing out for another reason can cost you your earnest money.

Sources

Checked October 22, 2026.

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5. **CFPB: What is earnest money?**
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6. **CFPB: What is a debt-to-income ratio?**
<https://www.consumerfinance.gov/ask-cfpb/what-is-a-debt-to-income-ratio-en-1791/>

About this report

Written by Tyler Thompson, licensed real estate agent, for HouseBuyerGuides.com. Figures were checked against the official sources listed above on October 22, 2026. Charts are illustrative examples built from the assumptions stated under each one.

This report is for education only and is not financial, legal or tax advice. Loan rules, fees and assistance programs change. Confirm the details with your lender and the program administrator before you make decisions.

NEXT STEP

Find the down payment assistance programs that serve your city

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