THE HOMEBUYER'S QUESTION BOOK

Straight Answers to the Questions
Every Buyer Asks First

Ann Boothe, Broker
Global Infiniti Real Estate Network
Suffern, New York

GlobalInfiniti.us · 917-364-8335

Before you fall in love with a house

I have spent more than 30 years in real estate — as a broker, a mortgage broker, an appraiser, and an investor. In that time I have heard the same questions from buyers again and again, usually whispered a little apologetically, as if everyone else already knew the answers. They do not. Most buyers are working it out as they go, and the ones who ask early are the ones who make the fewest expensive mistakes.

This short book answers the fourteen questions buyers ask me most, in plain language, with real numbers. It is education, not advice for your specific situation — that conversation is what I am here for. When you finish, you will know what to ask a lender, what cash you actually need, and what happens between “I want that house” and holding the keys.

One note on the market as I write this: in late October 2026, the average 30-year fixed rate was 7.32 percent (Freddie Mac) and the median existing-home price was $417,500 (National Association of REALTORS®, September 2026). Rates and prices move. The principles in this book do not.

— Ann Boothe, Broker, Global Infiniti Real Estate Network

PART ONE · THE MONEY

1. How much house can I afford?

Start with the payment, not the price. A long-standing guideline keeps your total monthly housing cost — mortgage principal and interest, property taxes, homeowner’s insurance, mortgage insurance if you have it, and HOA dues — under about 28 percent of your gross monthly income. Lenders separately look at all your monthly debts together, usually wanting them under roughly 43 percent of gross income.

Know this difference: the most a lender will qualify you for and the most you can comfortably afford are two different numbers. Qualify is their math. Afford is your life — groceries, family, savings, sleep. Buy to the second number.

2. Do I need 20 percent down?

No. This is the most persistent myth in home buying. Depending on the loan and your qualifications:

- • Conventional loans can start at 3 percent down.
- • FHA loans start at 3.5 percent down.
- • VA loans (veterans and eligible service members) and USDA loans (eligible rural and suburban areas) can be zero down.

Putting 20 percent down does avoid private mortgage insurance (PMI) and lowers your payment. But waiting years to save it, while prices and rents rise, can cost more than PMI ever would. Run both sets of numbers before you decide.

3. How much cash do I need in total?

More than the down payment — this is where buyers get caught short. Budget three buckets:

- • Down payment: 3 to 20 percent of the price, depending on your loan.
- • Closing costs: typically 2 to 5 percent of the price.
- • Reserves: money still in the bank after closing — moving costs, first repairs, and a cushion. Lenders like to see reserves too.

An example on a $400,000 home: 3.5 percent down is $14,000; closing costs at about 3 percent are roughly $12,000. That is about $26,000 to get to the closing table — before the moving truck.

4. What are closing costs, and who pays them?

Closing costs are the one-time fees of the transaction: lender charges, appraisal, title search and title insurance, attorney fees (New York is an attorney state — budget for your own lawyer), recording fees, and prepaid taxes and insurance.

Who pays what is partly custom and partly negotiation. Some costs are yours by nature of your loan; others can be negotiated with the seller. Nothing about the split is automatic — it is written into your contract, which is one reason representation matters.

5. Is down payment assistance worth it?

Sometimes — and this is debated endlessly by buyers online, because the trade-off is real. Assistance programs (New York has them, including through SONYMA) can cover part or all of your down payment, sometimes as a grant, sometimes as a second loan. In exchange you may accept a higher interest rate, a repayment obligation if you move or refinance early, or income and price limits.

The right question is not “free money?” but “what does this cost me over the years I will actually keep this loan?” Compare the total cost both ways, with the assistance and without it.

PART TWO · THE LOAN

6. What is the difference between pre-qualified and pre-approved?

A pre-qualification is an estimate, usually from numbers you state yourself. A pre-approval means a lender has verified your income, assets, debts, and credit and is prepared to lend a specific amount, subject to the property checking out.

Sellers know the difference. In a competitive situation, an offer with a verified pre-approval is taken seriously and one without it often is not. Get pre-approved before you tour homes — it usually takes one to three days once your documents are in. A pre-approval is typically good for about 60 to 90 days; ask your lender for the exact window and what renewing it takes.

7. Will applying for a mortgage hurt my credit?

A mortgage application involves a hard credit inquiry, which can dip your score a few points temporarily. Here is what many buyers never hear: the credit scoring models expect you to shop. Multiple mortgage inquiries within a short window — commonly 14 to 45 days, depending on the scoring model — are treated as a single inquiry for scoring purposes.

So compare lenders, but do it inside one window, and do not open new credit cards or finance furniture between application and closing. That is what actually hurts people.

8. What credit score do I need?

There is no single number, but here are the working landmarks. FHA loans allow 3.5 percent down with a score of 580 or higher; scores from 500 to 579 generally require 10 percent down. Conventional loans typically start around 620. VA and USDA loans have no official minimum from the agencies, but most lenders set their own, often in the low-to-mid 600s.

Higher scores buy better interest rates and more choices. If your score is close to a line, a few months of paying down card balances and fixing report errors can move it — ask before you apply, not after.

9. Fixed rate or adjustable rate?

A fixed-rate loan keeps the same interest rate for the whole term: predictable, and the right default for most buyers who plan to stay put. An adjustable-rate mortgage (ARM) usually starts lower, then changes after a set period — five, seven, or ten years is common.

An ARM can make sense if you are genuinely likely to sell or refinance before the first adjustment. “Genuinely likely” is doing the work in that sentence. If there is a real chance you will still be there when the rate adjusts, price the loan at its worst case, not its first year.

10. What is PMI, and when does it go away?

Private mortgage insurance protects the lender — not you — if you default, and lenders generally require it when you put down less than 20 percent on a conventional loan.

The good news: on conventional loans it is not forever. You can generally ask to remove it once your loan balance reaches 80 percent of the home’s original value, and it must be automatically removed at 78 percent under federal law, as long as you are current. FHA loans charge their own mortgage insurance premium, which on many newer FHA loans stays for the life of the loan unless you refinance into a different loan type.

PART THREE · TIMING AND PROCESS

11. Should I buy now, or wait for rates to come down?

Every buyer asks this, and nobody honest can time the market for you. What can be said plainly:

- • If rates fall after you buy, you can usually refinance. If prices rise while you wait, you cannot un-rise them.
- • When rates drop, sidelined buyers return all at once, and competition — and prices — tend to follow them.
- • Rent paid while waiting builds nothing.

If the monthly payment works for your real budget today and you expect to stay several years, you are probably ready. If the payment only works in the hope rates fall, you are not — wait, and use the time to build your down payment and your credit.

12. What are the steps, and how long does it take?

In order: (1) pre-approval; (2) house hunting; (3) offer and negotiated contract — in New York, attorneys review and finalize the contract after the offer is accepted; (4) home inspection; (5) formal mortgage application and appraisal; (6) underwriting and loan commitment; (7) final walk-through; (8) closing.

From signed contract to closing typically runs 30 to 45 days. Most delays come from missing documents, appraisal surprises, and title issues — all easier to handle when your paperwork is ready before anyone asks.

13. What inspections should I get?

Always a general home inspection, even on a newer home. Buying an older home — and our Hudson Valley housing stock has plenty of them — buyers online who have lived it add the same extras again and again:

- • A sewer or septic scope — a failed line is one of the most expensive surprises a house can hold.
- • The roof’s age and the electrical panel’s type, in writing.
- • An insurance quote early, before your inspection period runs out. Roof age, wiring, and panel type can decide whether you can get coverage at all, and at what price. The quote is a test nobody thinks to run — run it.
- • Where relevant: termites and other wood-destroying insects, well water quality, and radon.

PART FOUR · WORKING WITH AN AGENT

14. Do I need an agent — and who pays them?

You are not required to hire a buyer's agent, but understand what one does: pricing guidance from real comparable sales, negotiation, contract deadlines, inspection and appraisal coordination, and a second set of eyes on the largest purchase of your life. First-time buyers, especially, are negotiating against professionals without one.

On payment: commissions are negotiable and are not set by law. Sellers often offer compensation to the buyer's broker, but it is not guaranteed, and you may sign a buyer agreement that makes you responsible for some or all of it if the seller does not pay. Read that agreement before you sign it, and ask exactly what happens in a house where the seller offers nothing. A straight answer to that question tells you a lot about the agent.

Ten questions to ask any lender

1. What is my full monthly payment — principal, interest, taxes, insurance, and mortgage insurance together?
2. How much cash will I need at closing, in total, on your best estimate today?
3. Which loan types do I actually qualify for, and why do you recommend this one?
4. What will this loan cost me over five years — not just the monthly payment?
5. When can I lock my rate, for how long, and what does a longer lock cost?
6. Do you offer down payment assistance programs, and what are their conditions?
7. What documents will you need from me, all of them, up front?
8. Who will service my loan after closing?
9. What is your average time from application to clear-to-close?
10. What could still go wrong with my file — and what should I not do before closing?

A lender who answers all ten clearly, in writing, has earned your business. One who waves them off has answered anyway.

Your next step

If you are buying in the Hudson Valley, New York City, or Long Island, I would be glad to walk your numbers with you — what you can afford, what cash you need, and which homes are actually worth chasing. If you are selling, ask me what your home is worth in this market before you guess.

Global Infiniti Real Estate Network has spent three decades helping buyers, sellers, and investors — houses, land, and investment property. Start at the website: search homes, see featured land from 10,000 dollars, and send me a message there.

Ann Boothe, Broker · Global Infiniti Real Estate Network
43 Bayard Ln., Suffern, NY 10901 · 917-364-8335
GlobalInfiniti.us · annboothe@gmail.com

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