

Florida First-Time Homebuyer Guide

Your Complete Roadmap to Homeownership

By Youbel Montesino

Licensed Broker | USMC Veteran | Title Agent

(954) 608-4838 | www.flhbs.com

Introduction

Buying your first home in Florida doesn't have to be confusing. This guide breaks down everything you need to know — from down payment assistance programs to closing costs — in plain English.

After helping over 500 families navigate this process over 20+ years, I've compiled the essential information that will help you make smart decisions and avoid costly mistakes.

Chapter 1: Down Payment Assistance Programs

You Don't Need 20% Down

The biggest myth in real estate is that you need a 20% down payment. The truth? Most first-time buyers put down just 3-3.5%, and many programs offer 0% down options.

Florida Housing Finance Corporation

Florida Housing offers several down payment assistance programs:

- **Florida Assist** — Up to \$10,000 as a 0% interest, deferred second mortgage
- **HLP Second Mortgage** — Up to \$10,000 at 3% interest over 15 years
- **Salute Our Soldiers** — Special programs for veterans and active military

Local Programs

Many counties offer their own assistance:

- **Miami-Dade County** — First-time buyer programs with down payment grants
- **Broward County** — HOME Investment Partnership assistance
- **Palm Beach County** — Housing Finance Authority programs

Income Limits

Most programs have income limits, typically 80-140% of Area Median Income (AMI). For a family of 4 in South Florida, this often means household income up to \$80,000-\$120,000 annually.

→ Action Step: Check florida-housing.org for current program availability.

Chapter 2: Grants You Can Actually Get

Free Money for Your Home Purchase

Unlike loans, grants don't have to be repaid. Here are real programs available:

Federal Grants

- **Good Neighbor Next Door Program** — Up to 50% off homes for teachers, law enforcement, firefighters, and EMTs

State Grants

- **Florida First Hometown Heroes** — Up to \$35,000 for eligible community workers
- **SHIP** — Local grants funded by the state

Eligibility Requirements

Most grants require:

- First-time buyer status (haven't owned in 3 years)
- Income within program limits
- Completion of homebuyer education course
- Primary residence requirement

→ **Action Step:** Take a HUD-approved homebuyer education course.

Chapter 3: Credit Score Roadmap

What Score You Actually Need

Your credit score doesn't need to be perfect. Here's what's really required:

Loan Type	Minimum Score	Down Payment
Conventional	620	3-5%
FHA	580 (or 500 with 10% down)	3.5-10%
VA	No minimum*	0%
USDA	640	0%

*Lenders typically want 620+

Quick Wins (30-60 days)

- Pay down credit card balances below 30% of limits
- Don't close old credit cards
- Dispute any errors on your credit report
- Don't apply for new credit

→ Action Step: [Get your free credit report at annualcreditreport.com](https://annualcreditreport.com)

Chapter 4: The Step-by-Step Process

From Pre-Approval to Keys in Hand

Step 1: Get Pre-Approved (1-3 days)

- Gather documents: pay stubs, tax returns, bank statements
- Shop multiple lenders for best rates
- Get pre-approval letter in writing

Step 2: Find Your Agent (1 day)

- Interview 2-3 agents
- Look for experience with first-time buyers

Step 3: House Hunt (2-8 weeks)

- Define your must-haves vs. nice-to-haves
- Stay within pre-approved budget

Step 4: Make an Offer (1-3 days)

- Research comparable sales
- Include earnest money deposit (typically 1-2%)

Step 5: Under Contract (30-45 days)

- Complete home inspection (\$300-500)
- Schedule appraisal
- Get homeowner's insurance quotes

Step 6: Clear to Close (3-5 days before)

- Final loan approval
- Review closing disclosure
- Do final walkthrough

Step 7: Closing Day (2-3 hours)

- Sign documents, transfer funds, get your keys!

→ Action Step: Start with Step 1 — get pre-approved before looking!

Chapter 5: Closing Costs Decoded

What You'll Actually Pay

Closing costs in Florida typically run 2-5% of the purchase price. Here's where your money goes:

Lender Fees

- Loan origination — 0.5-1% of loan amount
- Appraisal — \$400-700
- Underwriting — \$400-900

Title & Escrow

- Title insurance — \$500-2,000
- Title search — \$200-400
- Settlement fee — \$300-600

Government & Taxes

- Documentary stamps — \$0.70 per \$100
- Intangible tax — \$0.20 per \$100 (on mortgage)

Strategies to Reduce Costs

1. Ask the seller to pay — In buyer's markets, sellers often contribute 2-3%
2. Shop title companies — Fees vary significantly
3. Negotiate lender fees — Origination is negotiable

→ Action Step: Always ask for a Loan Estimate and compare fees.

Chapter 6: 7 Costly Mistakes to Avoid

Don't Learn These the Hard Way

Mistake #1: Not Getting Pre-Approved First

You waste time looking at homes you can't afford, and sellers don't take your offer seriously.

Mistake #2: Making Big Financial Changes

Changing jobs, buying a car, or opening new credit cards can kill your loan approval.

Mistake #3: Skipping the Home Inspection

A \$400 inspection can save you from \$40,000 in hidden problems.

Mistake #4: Ignoring Total Monthly Costs

Mortgage payment is just the start — add taxes, insurance, HOA, maintenance.

Mistake #5: Waiving Contingencies to Win

No inspection contingency can leave you trapped with expensive problems.

Mistake #6: Falling in Love Before Inspection

Emotional attachment makes you overlook red flags.

Mistake #7: Not Using Local Down Payment Programs

You leave free money on the table.

Your Next Step

You've got the knowledge — now it's time to take action.

I've helped over 500 families buy their first home in Florida. Whether you have questions about down payment assistance, need help finding the right loan program, or are ready to start looking at homes, I'm here to help.

Contact Youbel Montesino

■ (954) 608-4838

■ www.flhbs.com

■ Serving all of South Florida

Licensed Broker | USMC Veteran | Title Agent

20+ Years Experience | 5.0 Zillow Rating | 500+ Families Helped

This guide is for informational purposes only and does not constitute legal, financial, or real estate advice. Programs, requirements, and availability change frequently. Always verify current information with the relevant agencies and work with licensed professionals for your specific situation.