PALM BEACH COUNTY, FLORIDA

The First-Time Home Buyer Guide

Thirteen chapters, one clear path to your first home

How much can I afford? How much money will I need? What type of mortgage should I consider? How do I make an offer, and what happens after the inspection? This guide walks through the whole process in plain language, from your first budget conversation to the day you get the keys.

Budget & monthly payment · Mortgage basics · Down payment options · Closing costs · Offers & negotiation · Inspection & appraisal · Closing day

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WHAT'S INSIDE

Thirteen Chapters, One Clear Path to Your First Home

You can read this top to bottom or jump straight to the chapter that matters most today. Every chapter is short on purpose: enough to understand the step, not so much that it feels like homework.

I'm Rhonda Townsend, a Palm Beach County Realtor and licensed Mortgage Loan Originator, and I wrote this to help you know what to expect and which questions to ask. You also don't need to figure out every step alone. That's what an agent is for.

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Chapter 01

Before You Look

Start With a Plan, Not a Listing

The biggest mistake many first-time buyers make isn't choosing the wrong home. It's starting the search before they understand what they can realistically afford. Falling in love with a listing you can't act on is how the process starts to feel stressful, and it's entirely avoidable.

The good news: you can do most of the preparation right now, before you ever walk into an open house. A little groundwork up front makes the search calmer, faster, and a lot more fun.

What to do before you look at homes

- Talk to a mortgage professional about your numbers. You don't need a perfect credit score or a big down payment to start the conversation.
- Review your credit report and take care of anything that needs attention.
- Estimate the monthly payment you can live with comfortably, not just a purchase price.
- List every cost beyond the down payment: closing costs, moving, furniture, and small repairs.
- Write down what you truly need in a home and what you're willing to compromise on.

> **A NOTE FROM RHONDA**
>
> You don't need to figure out every step alone. That's what an agent is for. If you'd like a conversation about where to start, reach out anytime; there's no pressure and no obligation.

Chapter 02

Understanding Your Budget

More Than the Price Tag

A home's list price is only part of the picture. What matters on a practical level is the monthly payment you can live with comfortably, plus the cash you'll need at purchase and in the first months after you move in. Understanding your budget this way keeps you in homes you can actually act on.

Your monthly payment comfort

Your monthly housing cost is more than the mortgage payment alone. Plan to understand:

- Mortgage principal and interest
- Property taxes and homeowners insurance
- Flood insurance, when the property requires it
- HOA or condo association fees, where the community has them
- Utilities, maintenance, and a small cushion for the unexpected

The funds you'll need

- Your down payment
- Closing costs, which we cover in Chapter 5
- The earnest money deposit, usually held in escrow and credited toward your purchase
- Reserves for after the move: movers, furniture, and any immediate updates

KEEP IN MIND

No one can guarantee exact numbers in advance, because your figures depend on your income, debts, cash on hand, the loan program, and the property. But an honest look at these pieces gives you a realistic range to work from, and your lender helps you turn it into a monthly number.

Chapter 03

Mortgage Basics

Your Financing Options, Explained

A mortgage is simply a loan used to buy the home, repaid over time with interest. You don't need to become a loan expert to buy your first home, but understanding a few basics will help you feel far more confident in every conversation with a lender.

Common loan types

- **Conventional loans:** offered by private lenders, often with flexible terms. Qualified buyers may be able to purchase with less than 20% down.
- **FHA loans:** insured by the federal government and popular with first-time buyers, generally with more flexible credit requirements.
- **VA loans:** for eligible veterans, active-duty service members, and certain surviving spouses. Qualified borrowers may not need a down payment.
- **USDA loans:** for eligible buyers purchasing in qualifying areas, with low or zero down payment options.

Programs, rates, and terms are always changing and always subject to qualification. Talk with a lender about which programs fit your situation before you count any of them in your plan.

Prequalification vs. preapproval

Prequalification is a quick, informal estimate of what you might qualify for, often based on information you share with the lender. Preapproval is a deeper step: the lender reviews your income, assets, credit, and debts and issues a preapproval letter for a specific amount. A preapproval letter carries more weight with sellers, and sellers and agents often expect to see one with an offer.

Documents your lender will likely ask for

- Recent pay stubs and W-2s
- Tax returns, especially if you're self-employed
- Bank and investment account statements
- A copy of your identification
- Explanations for any large deposits, gaps in work history, or credit issues

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Chapter 04

Down Payment Considerations

20% Isn't the Only Path

Many first-time buyers assume they must put 20% down. That's true for some loans and some situations, but it isn't the only path. There are programs designed for qualified buyers that allow less, and understanding them can change your whole plan.

Programs that may allow less than 20% down

- **Conventional loans:** some programs allow qualified buyers with strong credit to put down less than 20%. A down payment under 20% usually means private mortgage insurance (PMI), which adds to your monthly payment and may be removed later per your lender's rules.
- **FHA loans:** generally permit a lower down payment than 20% and remain popular with first-time buyers thanks to flexible credit requirements.
- **VA loans:** eligible veterans, service members, and surviving spouses may qualify to buy with no down payment.
- **USDA loans:** for eligible buyers and properties in qualifying areas, with low or zero down payment options.
- **Down payment assistance:** programs exist in many areas, including parts of Palm Beach County. Availability, amounts, and eligibility vary, and programs change over time.

What affects the amount you'll need

- The loan program and your qualifications for it
- Your credit profile and income situation
- The property type (single-family, condo, townhome) and its price
- The purchase price and any seller concessions negotiated in the contract

THE BOTTOM LINE

The exact number for your situation comes from a lender reviewing your actual file, not from a general rule you read online. As a licensed Mortgage Loan Originator, I can help you understand how these options might apply to you, and you are always free to work with whichever lender you choose.

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Chapter 05

Closing Costs

Plan for the Costs Beyond the Down Payment

Closing costs are the fees you pay to complete the purchase, on top of your down payment. They're one of the most common surprises for first-time buyers, which is exactly why it pays to plan for them from the start.

Typical closing costs to know about

- Loan origination and processing fees
- Appraisal and credit report fees
- Home inspection fees (you pay inspectors directly, usually before closing)
- Title search, title insurance, and the closing agent or attorney fee
- Recording fees and transfer taxes
- Prepaid property taxes and homeowners insurance
- HOA or condo pro-rations, where applicable

TWO DOCUMENTS TO READ CAREFULLY

Your lender provides a **Loan Estimate** early in the process that lists estimated closing costs, and a **Closing Disclosure** before closing with the final numbers. Read them and ask questions until everything makes sense.

In some transactions, sellers contribute toward the buyer's closing costs as part of the negotiation; whether that's possible depends on the contract, the market, and the loan program.

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Chapter 06

Searching for Your Home

Exploring Palm Beach County

Once your budget is clear, the fun part begins: exploring the communities that match your life. Palm Beach County offers condos and townhomes near the coast, single-family neighborhoods further west, equestrian estates in Wellington, golf communities in Palm Beach Gardens, and waterfront homes along the canals and Intracoastal. There's a home type and a price point for many different buyers here.

FAIR HOUSING MATTERS IN THIS SEARCH TOO

You have the right to be shown homes and treated equally in any community, regardless of race, color, religion, sex, disability, familial status, national origin, or any other protected characteristic. I work that way, every time, without exception.

Search with objective criteria

- Monthly payment comfort, not just list price
- Commute time and access to the places you go regularly
- Schools, if that matters for your family
- Parks, waterfront access, dining, and lifestyle amenities
- HOA rules and community fees, where they exist
- Flood zone designation and what it means for insurance
- Age and condition of the home and its major systems
- How the home fits your needs five years from now, not just today

Write your non-negotiables and your nice-to-haves down before you tour. It helps you compare homes fairly and keeps the decision about your life, not just the paint color. For a deeper look at the buying process as a whole, see the first-time home buyers landing page, or explore community guides for areas like Wellington, West Palm Beach, and Lake Clarke Shores.

Chapter 07

Making an Offer

Price Isn't the Only Term

When you find the right home, the offer is where your preparation pays off. Your agent pulls recent comparable sales, or "comps": homes similar in size, condition, and location that sold recently, to help you understand what a reasonable offer looks like in that neighborhood.

What goes into a contract

- The purchase price and earnest money deposit
- **Financing contingency:** the offer can be contingent on loan approval
- **Inspection contingency:** a window for your inspections and any repair requests
- **Appraisal contingency:** protections if the appraised value comes in low
- Proposed closing date and who pays which closing costs
- Any requested repairs, credits, or included items

NEGOTIATION IS NORMAL

Sellers can accept an offer, counter with different terms, or decline. Negotiation is a normal part of the process, not a personal rejection. We'll talk through each response and what it means for your goals. For more detail on the process, the Palm Beach County buying guide walks through it step by step.

Chapter 08

Home Inspections

What to Expect From the Inspection

A home inspection is a professional, non-destructive review of the property's condition. It isn't a pass or fail test, and inspectors generally report what they observe rather than assign dollar figures. You're buying knowledge: a clearer picture of what's behind the walls, under the roof, and inside the systems.

Typical inspection coverage

- Roof, structure, and foundation
- HVAC, plumbing, and electrical systems
- Walls, floors, windows, and doors
- Major appliances that convey with the sale

Specialty inspections to consider

Some things fall outside a standard inspection and may warrant a specialist: pools, roof alone, termites, wind mitigation, and for waterfront homes, the dock and sea wall. Your agent can help you decide which are worth adding for the property you're considering.

After the report

You and your agent decide how to respond: accept the home as it stands, ask for repairs or a credit, or walk away within your inspection contingency. Most contracts give you a limited window, so it pays to be responsive.

> **REMEMBER**
>
> No home is perfect. The goal is to understand what you're buying before you commit.

Chapter 09

Appraisal

The Lender's Independent Look at Value

If you're using a mortgage, the lender orders an appraisal: an independent valuation of the property by a licensed appraiser, confirming that the home's value supports the loan amount. You generally pay for the appraisal as part of your closing costs.

The appraiser compares your home to recent sales of similar properties, factoring in size, condition, location, and features. If the appraisal comes in at or above the contract price, the process continues normally.

If the appraisal comes in low

- Re-negotiate the price with the seller
- Bring additional funds to make up the difference
- Challenge the value through the lender's review process

A low appraisal isn't the end of the deal. It's a point in the transaction where clear communication helps.

> **INSPECTION VS. APPRAISAL**
>
> An appraisal and an inspection are different tools: the **inspection looks at condition**, and the **appraisal looks at value**. With a financed purchase, you'll likely have both.

Chapter 10

Financing

Moving Through the Loan Process

Once you're under contract, the mortgage process shifts into gear. Timelines vary by lender, loan program, and your individual file, but here's a rough sense of what happens and what's asked of you along the way.

The loan process, step by step

- Submit your full application and supporting documents
- Receive and review your Loan Estimate
- Respond to document and underwriting requests quickly
- Lock your rate when you and your lender agree the timing is right
- Complete the appraisal
- Move through underwriting review and any conditions
- Receive final approval, then clear-to-close

KEEP YOUR FINANCES STEADY

During this window, lenders re-verify information right up to closing: no new credit accounts, no unexplained large deposits, and no job changes you can avoid. If something comes up, tell your lender right away. Surprises are much easier to handle early than late.

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Chapter 11

Before Closing

Deadlines, Coordination, and Paperwork

The days before closing are about coordination. Your contract carries dates: the inspection period, the financing contingency, the appraisal deadline, and the closing date. Missed deadlines create problems, and tracking them is a big part of what an agent and lender do for you behind the scenes.

Things to confirm in the final stretch

- Agreed repairs are completed and documented
- You've responded to every lender request for documents
- You've received and reviewed the Closing Disclosure; ask about anything you don't recognize
- You know the exact form your final funds must take, and who to call to verify wiring instructions
- Your final walkthrough is scheduled
- Utilities and insurance are set to take effect around closing

A NOTE ON WIRES, BECAUSE IT MATTERS

Closing costs are a favorite target of fraud. Always confirm wiring instructions by phone using a number you trust, never by replying to an email or clicking a link. If anything feels off, stop and call your closing agent or lender directly.

Chapter 12

Final Walkthrough

Take a Good Look Before You Close

The final walkthrough usually happens shortly before closing, often within a day or two, and it's your last chance to confirm the home is in the agreed condition. Your contract sets the specifics; this is the general checklist buyers typically work from.

Final walkthrough checklist

- Agreed repairs are finished and look right
- Systems that worked when you toured still work: plumbing, air conditioning, lights, appliances
- Items included in the sale are still there: fixtures, appliances, window coverings, remotes
- No new damage appeared since your last visit
- Personal property and debris have been removed
- Keys, garage openers, and any manuals or documents are left behind

IF SOMETHING ISN'T RIGHT

Tell your agent immediately. Depending on your contract, there may still be time to correct it before signing. It's far better to raise it then than to discover it after you move in.

Chapter 13

Closing Day

What Happens and What You Sign

Closing day is when ownership officially transfers to you. You'll meet with the closing agent or title company, in person or remotely depending on how your closing is arranged, sign the mortgage and deed paperwork, pay any remaining funds, and receive the keys.

What to bring and expect

- A valid, current photo identification
- Final funds in the exact form your closing agent requested, whether wire or certified funds
- Time: expect a stack of documents and plenty of signatures
- Questions: if anything doesn't look like the Closing Disclosure you reviewed, ask before you sign
- Keys and garage remotes at the end, plus a moment to enjoy it

AFTER RECORDING

The home is yours. Keep copies of everything you signed, and make sure your insurance and utilities are running. Then comes the best part: walking into your first home as its owner. That's the whole point of all the paper.

Next Steps

Let's Talk About Your First Home

No pressure, ever

Keep this guide close: your budget numbers, mortgage notes, and closing checklist in one place. Every chapter is yours to read, bookmark, and share with anyone who's thinking about buying in Palm Beach County.

Talk With Rhonda Townsend

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First-Time Home Buyers in Palm Beach County

Financing, budget, and home search help from one point of contact.

The Palm Beach County Buying Guide

The same steps, for buyers at every stage.

Community Guides

Wellington, West Palm Beach, Lake Clarke Shores, and more.