

VERONICA | CHARLOTTE REAL ESTATE



FROM
RENTER
to
HOMEOWNER

*Your step-by-step roadmap to getting
mortgage-ready in 6, 12, or 24 months*



VERONICA
REALTOR | KELLER WILLIAMS SOUTH PARK
Making real estate a luxury experience

WELCOME



Buying your first home is closer than you think.

Hi, I'm Veronica.

If you're reading this, you've probably been thinking about buying a home for a while now — but it can feel like there's a giant gap between where you are today and where you need to be to actually pull the trigger.

Here's what I want you to know: **that gap is usually smaller than people think. And it's almost always crossable with a clear plan.**

This guide gives you that plan.

I'm going to walk you through the exact things lenders look at, the order to tackle them in, and three timeline tracks — 6 months, 12 months, and 24 months — so you can pick whichever fits your current situation.

You don't need to be perfect. You don't need 20% down. You don't need a six-figure income. You need a plan, a little patience, and someone who's done this with hundreds of first-time buyers.

Let's get you ready.

— **Veronica**



The 5 pillars of mortgage readiness.

Lenders don't care about your dreams. They care about five very specific things. The good news? Every single one of them is something you can improve with time and focus.

1. Credit Score

Your credit score tells lenders how reliably you pay back debt. The higher your score, the better your mortgage rate — and a better rate can save you tens of thousands of dollars over the life of the loan.

2. Debt-to-Income Ratio (DTI)

Lenders compare your monthly debt payments to your monthly income. Most conventional loans want your total DTI under 43%, ideally under 36%.

3. Savings & Cash Reserves

You'll need money for the down payment, closing costs, and a cushion for after you move in. Lenders also like to see you have 3-6 months of housing expenses in savings as a reserve.

4. Income Stability

Lenders look at the last 2 years of your employment history. Steady job, steady paycheck, and a clear pattern of earning makes you a confident borrower.

5. Down Payment

Most first-time buyers put down 3-10%. You don't need 20%. But the more you put down, the lower your monthly payment and the more loan options you'll have.

The rest of this guide walks through how to strengthen each one, in the right order.

Fix your credit first.

Credit is the single biggest lever you have right now. The difference between a 640 and a 740 score can cost or save you over \$50,000 across the life of your mortgage. Start here.

Know your number

Pull your credit reports from all three bureaus (Equifax, Experian, TransUnion) for free at AnnualCreditReport.com. This is the official site — don't pay for it. Check for errors. Roughly 1 in 5 reports has a mistake, and fixing one can boost your score 20-50 points overnight.

Know what score lenders want

SCORE	WHAT IT MEANS FOR A MORTGAGE
740+	Best rates available. You'll get every loan option on the table.
680-739	Very strong. Most conventional loans available at good rates.
620-679	Approvable, but rates will be higher. FHA loans more accessible here.
580-619	FHA-eligible with 3.5% down. Rates significantly higher.
Under 580	Not mortgage-ready yet. Focus on credit repair before anything else.

Three things that move your score fast

- **Pay down credit card balances.** Keep balances under 30% of your limit — under 10% is even better. This alone can boost your score 30+ points.
- **Never miss a payment.** Set autopay on at least the minimum for every account. One missed payment can drop your score 60-100 points.
- **Don't open new accounts.** Each new application dings your score temporarily. While you're prepping to buy, avoid opening new cards, financing furniture, or buying a car.

Save smarter, not just more.

Most first-time buyers think they need to save a huge chunk of cash before they can even start looking. The reality is more nuanced — you need three different pots of money, and they don't all have to be enormous.

The three pots you need

Pot 1: Down Payment

On a \$300,000 home, here's what different down payments look like:

- 3% down (conventional first-time buyer loan): \$9,000
- 3.5% down (FHA loan): \$10,500
- 5% down (conventional): \$15,000
- 10% down (conventional): \$30,000
- 20% down (avoids PMI): \$60,000

Pot 2: Closing Costs

Typically 2-5% of the home price. On a \$300,000 home, plan for \$6,000-\$15,000. This covers loan origination, title, inspection, appraisal, and escrow setup. Some of this can be negotiated to the seller in your offer — your realtor will guide you.

Pot 3: Reserves

3-6 months of housing expenses in savings AFTER you close. This is your cushion — for repairs, surprises, and just sleeping well at night.

Agent Tip: Seller Concessions

You may not need to cover all of this alone. With the right agent negotiating for you, we can ask the seller to help pay part of your closing costs, prepaid expenses, or even a rate buydown.

Not guaranteed — but absolutely worth negotiating. That's where having a strong agent matters.

Tame your debt-to-income ratio.

Your debt-to-income ratio (DTI) is one of the most important numbers lenders look at — and it's one of the most misunderstood by first-time buyers.

How to calculate yours

Add up all of your minimum monthly debt payments — credit cards, car loans, student loans, personal loans. Don't include rent, utilities, or groceries.

Then divide that total by your gross monthly income (before taxes).

Example: \$500/month in debt payments ÷ \$4,500/month gross income = 11% DTI. That's excellent.

What lenders want to see

DTI RANGE	WHAT IT MEANS
Under 36%	Strong. Most loans available at the best rates.
36% - 43%	Acceptable for most conventional and FHA loans.
43% - 50%	Tighter. FHA loans may work; some conventional won't.
Over 50%	Most lenders will not approve a mortgage. Focus on debt paydown

How to lower your DTI fast

- **Pay off small balances first.** A \$1,500 credit card with a \$40 minimum payment hurts your DTI more than it should. Wipe it out and your DTI improves immediately.
- **Avoid taking on new debt.** No new cars, no financed furniture, no "buy now, pay later" apps while you're prepping to buy.
- **Increase your income (if you can).** Side gigs, raises, and overtime all count — but lenders typically want to see 2 years of consistent additional income before counting it.

Income and employment — what lenders really look at.

Lenders aren't just looking at how much you make. They're looking at how reliable that income is — because they're going to count on it for the next 30 years.

The 2-year rule

Lenders generally want to see at least 2 years of consistent employment in your current field. That doesn't mean 2 years at the same job — changing employers within the same industry is usually fine, especially if you got a raise or promotion.

What DOES raise flags:

- Switching industries entirely in the last 12 months
- Gaps in employment over 30 days (without a clear explanation)
- Going from W-2 employee to 1099 contractor (lenders want 2 years of 1099 history)
- Starting your own business in the last 2 years

If you're self-employed or 1099

You're not disqualified — but the bar is higher. Lenders will want to see 2 years of tax returns, profit & loss statements, and proof of consistent or growing income. Plan accordingly.

If you're salaried

This is the easiest scenario. Two recent pay stubs, your W-2s, and you're set. Resist the urge to change jobs in the 6 months before applying — even a job change for more money can delay or kill an approval.

Pro tip from working with hundreds of buyers

If you're planning to change jobs, do it BEFORE you start the mortgage process — and wait at least 30 days before applying. If you're already in the mortgage process, don't change anything until after closing.

The 6-month sprint.

This track is for renters who are already in decent financial shape and want to move quickly. If your credit is 680+, you have most of a down payment saved, and your DTI is under 40% — this is for you.

MONTH	ACTION
Month 1	Pull all 3 credit reports. Dispute any errors. Connect with a lender for a soft pre-approval consultation to see exactly where you stand.
Month 2	Pay down any credit card balances over 30% utilization. Hold off on new credit applications. Begin building or topping off your reserves.
Month 3	Get formally pre-approved. Lock in your loan officer. Start meeting with a realtor (me!) to discuss neighborhoods, must-haves, and budget.
Month 4	Active home search begins. View 5-10 properties to refine your taste. Stay in close contact with your lender about any changes to your finances.
Month 5	Make offers. Negotiate. When accepted, immediately complete inspection and lock your rate.
Month 6	Closing. Final walkthrough. Get keys. Move in.

This timeline is aggressive but doable if you're already prepared. The key is to get pre-approved early so you know exactly what you can afford and can move fast when you find the right home.

The 12-month track.

This is the most common track for first-time buyers. Your credit is okay but could be better, you've started saving but need to build more, and you want enough time to make a thoughtful purchase rather than a rushed one.

MONTHS	FOCUS
1-3	Credit foundation: Pull reports, dispute errors, pay down balances to under 30% utilization, set autopay on everything. Open a dedicated high-yield savings account for your home fund.
4-6	Build savings momentum. Automate \$500-\$1,500/month into the home fund. Pay off any small debts to lower DTI. Track your monthly expenses to know your true budget.
7-9	Lender prep. Have a soft pre-approval conversation with a lender to identify any remaining gaps. Check your credit score progress (should be moving up by now).
10-11	Formal pre-approval. Start meeting with a realtor. Begin viewing homes to understand the market and refine what you actually want.
Month 12	Make your offer, complete inspection, close, and move in.

Twelve months gives you breathing room to make smart decisions, fix anything that needs fixing, and walk into the buying process from a position of strength instead of stress.

The 24-month track + buyer programs.

The 24-month track

This is for renters who need to rebuild credit, pay down significant debt, or grow income before buying. It's not a slower track — it's a smarter one if your starting position needs real work.

- **Months 1-6:** Aggressive credit repair. Aggressive debt paydown. Build a 3-month emergency fund first, then start the home fund.
- **Months 7-12:** Continue savings. Maintain credit improvements. Establish income stability if you're changing jobs or going self-employed.
- **Months 13-18:** Home fund grows. Begin lender conversations to track progress.
- **Months 19-24:** Same as the 6-month sprint above. Pre-approval, search, offer, close.

Programs that can shrink your timeline

North Carolina has several first-time buyer programs most renters don't know exist. These can reduce or even eliminate down payment requirements:

- **NC Home Advantage Mortgage.** Up to 3% down payment assistance for qualified first-time buyers.
- **NC 1st Home Advantage Down Payment.** Up to \$15,000 in down payment help for first-time buyers.
- **FHA loans.** 3.5% down with credit scores as low as 580.
- **VA loans.** If you're a veteran — 0% down, no PMI, great rates.
- **USDA loans.** 0% down for homes in eligible rural areas (parts of Cabarrus and Union counties qualify).

If you qualify for any of these, your "I need to save 20%" timeline collapses dramatically. Worth exploring.

Your next 3 steps, starting today.

Reading this guide is great. Acting on it is what changes your life. Here are the three things to do this week — in order.

1. Pull your credit reports — today

Go to AnnualCreditReport.com (the only free, official source). Pull all 3 reports. Make a list of any errors, any balances over 30% utilization, and any missed payments. This is your starting line.

2. Open a dedicated home savings account

Separate from your regular checking. Name it something meaningful ("My First Home" works). Automate a transfer — even \$200/month gets you started. The act of opening it makes this real.

3. Have one conversation with me

I'm not going to pitch you. I'm going to listen, look at your situation, and tell you honestly which track you're closest to — 6 months, 12 months, or 24. From there, you'll have a clear plan instead of guesses. Text or call when you're ready.

The path from renter to homeowner is real, walkable, and clearer than it looks. The hardest part is the first step — and you just took it by reading this guide.



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