Nashville Home Buyer First Steps Guide

What to know before you start touring homes

A simple, practical guide to money, financing, the buying process, and your next steps.

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Straight answers. Smart next steps. No pressure.

You Do Not Have to Have It All Figured Out

Buying a home can feel like one of those things everyone else somehow learned in school while you were out that day.

How much money do you need? Do you need 20% down? Does your credit have to be perfect? What if you have student loans or other debt? When should you talk to a lender? And how are you supposed to know whether you are actually ready?

The good news: you do not need every answer before you start asking questions.

This guide will help you understand the basic path, the money questions worth asking, and what comes next. You may discover you are closer than you thought. Or you may find out you need a little time and a plan first. Both are useful answers.

START WITH THESE 3 QUESTIONS

1. Why do I want to buy?

Is it about stability, more space, a shorter commute, a yard, building equity, getting out of a rental, or something else?

2. What monthly payment feels comfortable?

Not just what you might qualify for. What lets you still have groceries, vacations, emergencies, and a life after closing?

3. What would make me feel ready to take the next step?

Better numbers? A lender conversation? More savings? A clearer timeline? Knowing the process?

You do not need to be ready to buy today to start getting better information today.

How Much Money Do You Actually Need?

There is no single magic number because every buyer, loan, property, and contract is different. But most buyers should think about several buckets of money, not just the down payment.

DOWN PAYMENT

Some loan programs allow much less than 20% down. The right amount depends on the loan, your finances, your goals, and the payment you are comfortable carrying.

CLOSING COSTS

These may include lender charges, title and settlement costs, taxes, insurance, prepaid items, and other transaction expenses.

EARNEST MONEY

This is money submitted according to the purchase contract to show you are serious about the offer. The amount and timing depend on the contract and situation.

INSPECTION

A home inspection is usually paid outside of closing. Other inspections or specialists may add to that cost depending on the property.

APPRAISAL

If you are financing the purchase, your lender may require an appraisal. This is generally another cost paid during the loan process.

AFTER-CLOSING CASH

This is the bucket people sometimes forget while mentally spending every dollar on the house. Homes eventually need things. Water heaters apparently do not care that you just closed.

A good plan leaves room for moving, repairs, utilities, furniture if needed, and an emergency cushion.

IMPORTANT:

Seller concessions may sometimes help with allowable closing costs, depending on the contract, loan program, seller, and lender rules. Never assume they are guaranteed, but they can be part of the conversation.

A Good Lender Should Give You More Than a Yes or No

Talking with a lender does not mean you have committed to buying a house tomorrow afternoon.

It means you are getting real numbers instead of guessing.

A good lender should help you understand:

- which loan programs may fit your situation
- estimated monthly payments at different price points
- estimated cash to close
- how different down payments affect the payment
- how your credit, debt, and income affect qualification
- whether seller concessions could help in your situation
- what documents you will need
- what you can do next if you are not ready yet

DO YOU NEED PERFECT CREDIT?

No. Different programs have different requirements, and the score alone is not the entire picture.

DO STUDENT LOANS AUTOMATICALLY DISQUALIFY YOU?

No. They may affect qualification, but having student loans does not automatically mean you cannot buy.

DO YOU HAVE TO BE DEBT-FREE?

No. Lenders look at the overall financial picture, including income, debts, credit, loan program, and other factors.

WHAT IF THE ANSWER IS “NOT YET”?

Then you should leave the conversation with a plan.

If a lender simply says, “Work on your credit,” without telling you what that means, what to prioritize, or when to check back, that is not especially useful. You deserve more than a shrug in mortgage form.

There May Be More Than One Door Into Homeownership

One of the easiest ways to talk yourself out of buying is to assume there is only one kind of mortgage and you do not fit it.

There are actually several common loan paths, and the right one depends on your credit, income, savings, military eligibility, the property itself, and what you are trying to accomplish. You do not need to become a mortgage expert. You just need to know there may be more than one way in.

CONVENTIONAL

Conventional loans can be a strong fit for buyers with solid credit and may offer as little as 3% down on some programs. If you put less than 20% down, private mortgage insurance may apply, but it can often be removed later when requirements are met. Conventional financing can also be more flexible with some property types and conditions than certain government-backed loans, although the home still has to meet the lender's standards.

FHA

FHA loans can be especially helpful for buyers with a smaller down payment or credit that is not quite conventional-loan pretty. Down payments can be as low as 3.5% for qualified borrowers, and FHA generally allows lower credit scores than many conventional programs. FHA loans do require mortgage insurance, which adds to the cost. The property also has to meet FHA conditions and safety requirements.

VA

Eligible Veterans, active-duty service members, and certain surviving spouses may be able to use a VA-backed loan with no down payment. VA loans do not require monthly PMI, although a VA funding fee may apply unless the borrower is exempt. The property must meet VA requirements, and lenders may have their own additional standards.

USDA

USDA loans can offer 100% financing for qualified buyers purchasing an eligible home in an eligible rural area. Income limits apply, and "rural" does not always mean what people picture. Some areas outside the urban core may qualify. USDA loans have their own property and program requirements, so the address matters as much as the buyer.

THDA GREAT CHOICE + DOWN PAYMENT ASSISTANCE

Tennessee Housing Development Agency programs may help eligible Tennessee buyers with down payment and/or closing costs. Great Choice can pair with certain FHA, VA, USDA, and conventional options, and Great Choice Plus provides down payment assistance for qualified buyers. Income, purchase-price, credit, education, and other program requirements apply.

LOW-DOWN-PAYMENT CONVENTIONAL PROGRAMS

Programs such as HomeReady® and Home Possible® may allow qualified buyers to purchase with as little as 3% down and can offer more flexibility in where down-payment funds come from. Income limits and other requirements may apply.

WHAT IF THE HOUSE NEEDS WORK?

Sometimes the loan choice is about the house as much as the buyer. A property that will not meet standard FHA, VA, USDA, or conventional condition requirements may still have financing possibilities. Renovation loans such as FHA 203(k) or Fannie Mae HomeStyle® Renovation can combine the purchase and eligible repairs into one loan. These are more specialized and not every lender offers them, but they are worth knowing exist before you cross a house off the list.

WHAT IF MY CREDIT IS LOWER?

Do not assume a lower score means "no." FHA can be more forgiving than many conventional options, and some programs allow alternative or nontraditional credit evaluation. Individual lenders may set standards above the program minimums, which is one reason it matters who you talk to.

THE POINT IS NOT TO PICK YOUR OWN LOAN FROM A MENU

The point is to realize that "I probably cannot buy" and "I have not yet talked with a lender who knows the available programs" are two very different statements.

Ask a good lender to compare the options that fit you, including monthly payment, cash to close, mortgage insurance or fees, property restrictions, and what happens if your credit or savings improve.

Sometimes the difference between "I can't" and "I can" is simply finding the loan that was built for your situation.

PROGRAM NOTE: Loan guidelines, assistance amounts, rates, credit standards, fees, and eligibility rules can change. A qualified lender should verify the current requirements for your specific situation.

Do a Little Planning Before You Fall in Love With a Kitchen

Touring homes is more productive when you already know your general financial lane and your priorities.
Before you start booking showings, get clear on:

YOUR MUST-HAVES

What truly needs to be there?

YOUR NICE-TO-HAVES

What would be great, but could move down the list for the right house?

YOUR LOCATION BOUNDARIES

Think about commute, family, schools if relevant, daily errands, lifestyle, and how you actually live.

YOUR CONDITION TOLERANCE

Are you comfortable with cosmetic updates? Bigger repairs? A project? Or would you prefer to unpack and be done?

YOUR PAYMENT COMFORT

A house can be wonderful and still be wrong if the payment makes you miserable every month.

TOUR LIKE A BUYER, NOT A BROWSER

Listing photos are a little like dating-profile photos. They are trying very hard to show their best side.
When you tour, pay attention to:

- layout and how the space actually functions
- storage
- traffic and surrounding uses
- noise
- signs of water or drainage issues
- roof, HVAC, electrical, plumbing, and visible maintenance
- what may need attention in the first year
- anything unusual that could affect resale later

Every showing should teach you something, even when the answer is a very quick “nope.”

The Best Offer Is Not Always Just the Highest Price

Once you find a home you want, the goal is to build an offer around that property, that seller, the current market, and your priorities.

Things that may matter include:

- price
- financing strength
- earnest money
- closing date
- possession timing
- inspection terms and deadlines
- appraisal and financing protections
- seller-paid costs, when appropriate
- included or excluded items
- other property-specific terms

Before writing an offer, I look at the available evidence, including comparable sales, price history, days on market, condition, current competition, disclosures, and anything we can lawfully learn about the seller's priorities.

Then we talk through the tradeoffs.

A stronger offer is not automatically the one that gives away every protection and hopes for the best. The goal is to be competitive without getting reckless.

And yes, sometimes the seller answers quickly. Sometimes they do not. Refreshing your phone every 37 seconds has not yet been shown to improve response time.

The House Is Under Contract. Now We Learn More.

INSPECTION

The inspection helps you better understand the visible and accessible condition of the property.

A typical inspection report can make a perfectly normal house sound as though it is being held together with duct tape and optimism. Do not panic over the page count. A lot of those pages include photos.

Focus on the things that materially affect:

- safety
- active water issues
- structure
- roof
- HVAC
- electrical
- plumbing
- insurability
- major cost
- your intended use of the home

Depending on the contract, the information may lead to proceeding as-is, requesting repairs or another permitted remedy, getting specialist opinions, renegotiating if both sides agree, or using a contractual termination right if one applies.

APPRAISAL

If you are financing, the lender may order an appraisal to help evaluate the property as collateral for the loan.

An appraisal is not a home inspection and it does not guarantee condition.

If an appraisal comes in lower than expected, that does not automatically mean the deal is over. The available choices depend on the contract, financing, evidence, seller response, and your resources.

A Signed Contract Is a Schedule of Promises, Money, and Deadlines

Once you are under contract, several things are happening at the same time.

YOUR LENDER

The lender works through underwriting, documentation, loan approval, appraisal, insurance requirements, and final figures.

THE TITLE / CLOSING TEAM

They work on ownership and title matters, closing documents, settlement figures, funds, and recording.

YOUR REAL ESTATE AGENT

I track contract deadlines, coordinate the moving pieces, communicate with the other parties, help organize decisions, and keep you informed about what happens next.

YOUR JOB

Respond quickly when your lender or closing team requests something. Keep your finances stable. Do not open a new credit card to finance the living room before closing unless your lender has specifically told you it is safe. This is not the moment to celebrate your mortgage approval by financing a truck, sofa, and bass boat.

WIRE-FRAUD RULE

Never rely on changed wiring instructions delivered only by email or text. Independently verify instructions using a trusted phone number for the closing company before sending money.

A deadline is not a suggestion. If something needs more time, extensions generally have to be negotiated and documented.

The Home Stretch

Before closing, you will generally want to:

- review your final loan and closing figures
- confirm the amount and method for final funds
- independently verify wiring instructions
- complete the final walkthrough
- bring the identification and documents requested by the closing team
- ask questions about anything you do not understand

FINAL WALKTHROUGH

The final walkthrough is usually about confirming that the home is in the expected agreed condition, included items are still there, and any agreed work appears complete. It is not a brand-new inspection.

AT CLOSING

You will sign documents. Then more documents. Then possibly documents acknowledging that you signed the other documents.

Eventually your hand may forget how to spell your own name. This is normal.

Once funding and recording are complete and the contract allows possession, you get the part everyone has been waiting for: the keys.

You Bought the House. Now What?

A few practical things to handle after closing:

- transfer utilities as needed
- change or re-key exterior locks
- save your closing documents somewhere secure
- organize appliance and system warranties
- update your address where needed
- learn where the main water shutoff and electrical panel are
- create a basic home-maintenance calendar

Also prepare for your mailbox to become extremely interested in your new life.

You may receive offers for home warranties, solar panels, refinancing, deed copies, pest control, security systems, and possibly services you did not know existed five minutes earlier.

Do not assume a letter is official just because it looks official. Verify before paying for anything.

And remember: homeownership is not about making the house perfect on Day 1. Live in it a little. Learn what actually matters to you before you start knocking down walls because a television show made it look fun.

You Do Not Have to Decide Everything Today

The most useful next step depends on where you are right now.

IF YOU ARE JUST STARTING

Read through the guide and write down your biggest money or process questions.

IF YOU NEED FINANCING CLARITY

Talk with a good lender and ask for real scenarios: payment, cash to close, and what changes at different price points.

IF YOU ARE NOT READY YET

Great. Now you know what to work on. A six-month plan is much better than six months of wondering.

IF YOU ARE READY TO START LOOKING

Let’s talk about your timing, payment comfort, search area, priorities, and what would make a home the right move for you.

A QUICK REMINDER

You do not need 20% down in every situation.
You do not need perfect credit in every situation.
Student loans do not automatically rule you out.
Having debt does not automatically rule you out.
And you do not need to understand the entire home-buying process before asking for help.
Sometimes the smartest first step is simply getting better information.
Want to talk through your situation?
Schedule a Buyer Strategy Conversation
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GENERAL EDUCATION NOTE

This guide is for general educational and planning purposes. Every buyer, loan, property, contract, and timeline is different. It is not legal, tax, lending, inspection, or financial advice. Your signed documents and the advice of the appropriate licensed professionals control.