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REAL ESTATE / ORANGE COUNTY

# The First Time Home Buyer Roadmap for Orange County

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From your first lender conversation to the day you get the keys, here is what to expect and what to budget for.



Buying your first home can feel like learning a new language while making a major financial decision. You do not need to know every term before you start. You do need a comfortable monthly budget, a clear cash plan, and enough time to check the home before you commit. This guide walks through the process in plain English.



Your contract sets the actual dates for deposits, inspections, loan approval and closing.

## **1 Start with a monthly number you can live with**

A lender may approve a loan that is larger than the payment you want. Begin with your own budget. Include the mortgage payment, property tax, homeowners insurance, possible mortgage insurance, HOA dues, utilities and a monthly amount for repairs. Keep room for saving and everyday life.

In Orange County, a condo in Irvine, an older house in Santa Ana and a coastal property can have very different total costs. Look at comparable homes in the specific neighborhood and property type. Ask about HOA rules and dues, special assessments or Mello-Roos charges, insurance availability and the commute. A list price alone does not tell you whether a home fits.

## **2 Get pre-approved and compare loans**

A lender reviews income, debts, credit and available funds to estimate what you can borrow. A pre-approval helps you shop in a realistic price range, but it is not a promise that the final loan will be approved. Ask at least two lenders for comparable quotes, and compare the interest rate, APR, monthly payment, cash needed at closing and any points or lender fees.

Ask whether you qualify for a low down payment loan or an assistance program. CalHFA's MyHome program, for example, offers a deferred-payment junior loan to eligible first-time buyers through approved lenders. Eligibility and terms depend on the program and your circumstances; assistance is generally a loan, not free cash.

## **3 Tour homes and make an informed offer**

Choose the location and property features that matter most, then tour homes within your comfortable budget. Your agent can show recent comparable sales and explain whether a particular home has attracted strong interest. Decide on an offer price, deposit, closing date and conditions with your agent. In California, the purchase agreement sets the deadlines; read those dates carefully.

Your earnest-money deposit is money you put into escrow after an accepted offer. It is generally credited toward the funds you owe at closing, rather than added on top of the down payment. The contract controls when it is due and when it may be at risk, so review it before signing.

## **4 Use escrow to check the home and the numbers**

Escrow is a neutral process that holds funds and documents while the buyer, seller and lender complete their tasks. During this period, arrange a home inspection and any specialist inspections the property calls for. Review the seller's disclosures, title report, insurance quote and, for a condo or planned community, the HOA documents, budget and rules. Verify permits and property details when they matter to your plans.

Your lender usually orders an appraisal and completes loan underwriting. If an inspection, appraisal or loan issue appears, discuss your options before a contract deadline passes. Do not assume an inspection automatically lets you cancel or that a seller must repair an item; your written agreement and the status of your contingencies matter.

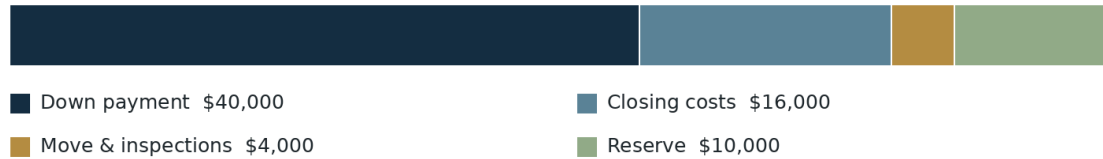
## **5 Review the closing figures and get the keys**

For most mortgages, the lender provides a Closing Disclosure at least three business days before closing. Compare it with the Loan Estimate and ask about changes in rate, fees, credits and the total cash to close. Confirm wire instructions by calling escrow at a verified phone number. After you sign, the lender funds and the deed records, your agent can confirm when you may take possession. The exact sequence and possession date come from the contract.

## **Budget beyond the down payment**

The following example shows how cash can add up. It is an illustration, not a quote for a specific home or loan. A lender and escrow officer can prepare a property-specific estimate.

### Illustrative \$800,000 purchase | \$70,000 planned cash



Here, a 5% down payment is \$40,000. Estimated closing costs of \$16,000 equal 2% of the price. The example also sets aside \$4,000 for inspections and moving, plus \$10,000 as a starting reserve. The planned cash is \$70,000, although only the actual down payment and closing charges are part of the final cash-to-close calculation. Earnest money already paid is credited on the closing statement. Actual costs vary; the CFPB suggests an early closing-cost estimate of roughly 2% to 5% of the purchase price.

### Costs that continue after move in

- Property tax: The prior owner's tax bill may reflect a much lower assessed value. Orange County can issue a supplemental tax bill after ownership changes, so ask how the purchase price may affect your taxes.
- Insurance and HOA: Price homeowners insurance early. Ask what is covered, what the deductible is and whether flood or other coverage is needed. Review HOA dues, reserves and any pending special assessment.
- Maintenance: Plan for appliances, plumbing, roof work and routine upkeep. A newer home still needs a repair fund.
- Mortgage insurance: With some loans and smaller down payments, this is an additional monthly cost. Ask the lender when it can end.

### A short checklist before you make an offer

- Know your comfortable all-in monthly payment and cash limit.
- Have a lender review your documents and explain at least two loan options.
- Check the tax and HOA picture for the exact property.
- Leave money available for moving, early repairs and an emergency reserve.
- Understand the deposit, inspection, loan and closing deadlines in your offer.

The right first home is one you can afford to own after the excitement of closing day has passed. If you want to talk through neighborhoods, property types and the purchase steps, Thomas Nguyen can help you build a practical search plan for Orange County.

**Thomas Nguyen | Orange County REALTOR® | CA DRE #02212572**

### Sources and notes

Consumer Financial Protection Bureau, Determine your down payment:

<https://www.consumerfinance.gov/owning-a-home/prepare/determine-your-down-payment/>

Consumer Financial Protection Bureau, Documents before closing:

<https://www.consumerfinance.gov/ask-cfpb/what-documents-should-i-receive-before-closing-on-a-mortgage-loan-en-181/>

California Housing Finance Agency, MyHome Assistance Program: <https://www.calhfa.ca.gov/homebuyer/programs/myhome.htm>

Orange County Assessor, Supplemental assessments and notices: <https://www.ocassessor.gov/page/supplemental-assessments-and-notices>

California Department of Real Estate, Information for homebuyers: <https://dre.ca.gov/Consumers/InformationForHomebuyers.html>

*Prepared September 2026. Program terms, loan pricing and local property costs change. Confirm current figures for the property and loan you choose.*