

PRACTICAL WEALTH / AN EDITORIAL & WORKBOOK

Before you buy the house.



Know what the purchase will ask of your life after the keys arrive.

Published by Discovery by DeVol / Edition 1.0

Use what helps today.

Read the editorial, try a worked example, or go straight to a worksheet. Activities are optional. Write on a printed copy or in your own notebook. The web edition does not collect financial responses.

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General U.S. financial education, not individual financial, tax, legal or lending advice. All dollar examples are invented. No savings outcome, mortgage approval or benefit eligibility is promised.

You can pause here.

If you have just been laid off, you can use this guide for research without taking on a new purchase. Start with the household's current needs and the reliability of future income.

If you are already applying for a mortgage or under contract, tell your lender promptly about the change in employment or income. Ask your qualified local adviser about your contract and deadlines before taking action. This guide cannot determine your financing eligibility or legal obligations.

CFPB encourages considering whether the timing fits your finances and circumstances. Renting, waiting or revising the price range can be a deliberate decision. [3]

Am I researching, applying or already under contract?

Who needs an accurate update from me?

Which date or decision needs attention first?

The keys are the beginning.

The listing shows the room in its best light. The photograph cannot show every bill that will arrive there.

A home purchase carries two decisions: whether you can complete the transaction, and whether the continuing costs fit the household you want to maintain. This guide gives those decisions separate pages.

Let the beautiful room remain beautiful. Then ask for the numbers, the documents and the time to understand them. You are allowed to look closely at something you want.

Look at the life that continues after closing.



Build the monthly picture.

Include principal and interest, property taxes, homeowners insurance, any mortgage insurance, applicable association fees and other required insurance. Add utilities, maintenance and repairs to the household plan. Taxes and insurance can change. [1]

Check which costs are already inside an escrowed payment so you do not add them twice. Ask what is excluded from the quote.

Use property-specific estimates when available. Keep a separate line for uncertain costs so a low placeholder does not quietly become a promise.

Costs included in the quoted payment

Costs I must pay separately

Estimates I still need to confirm

Read a fictional monthly budget.

Illustrative figures only. This is not a mortgage quote, current rate estimate, recommended home price or universal maintenance allowance.

This household adds the costs below to see a fuller monthly picture. The \$200 repair reserve is an invented planning choice; an actual property could require more, including a large immediate repair.

Compare the total with reliable take-home income after other household needs and commitments. An approval amount alone does not answer that question.

Monthly item / invented estimate	Amount
Principal and interest	\$1,450
Property taxes	\$300
Homeowners insurance	\$125
Mortgage insurance	\$90
Association fee	\$50
Utilities	\$250
Maintenance / repair reserve	\$200
Combined planning amount	\$2,465

Cash to buy. Cash to keep.

The down payment is one part of the upfront cost. Estimate closing costs, moving and setup, known initial work and money you want to retain after the purchase. CFPB emphasizes preserving funds beyond the down payment. [2]

As you obtain documents, reconcile deposits already paid, credits and cash to close with your lender. Do not add the same earnest-money deposit both to money already spent and again to the final amount due.

Money committed to the transaction cannot simultaneously serve as the household's available cash cushion.

A down payment and a reserve cannot be the same dollars.

A second view of the same purchase.

Illustrative example only. A household has \$30,000 in available purchase savings. It plans a \$15,000 down payment, \$7,000 in other closing costs, and \$3,000 for moving and initial setup.

\$30,000 minus \$15,000 minus \$7,000 minus \$3,000 leaves \$5,000. That remainder is neither proof of readiness nor a recommended cushion. The household still needs to assess job stability, other debts and the property's condition.

If an essential \$4,000 repair is also needed immediately, the same plan leaves \$1,000. What changed was the information, not the household's character.

What cash would remain under my current plan?

What known expense have I not included?

Compare offers on equal terms.

CFPB recommends comparing multiple Loan Estimates. Keep the loan amount, loan type and assumptions as similar as possible, and note the dates because pricing changes. [4, 5]

Compare monthly payment, mortgage insurance, origination charges, points, lender credits and cash to close. Ask why taxes or insurance estimates differ; lenders do not control those costs. [4]

A lower rate may involve more upfront cost. Ask the lender to explain the tradeoff in dollars, including what happens if you sell or refinance sooner than expected. Do not choose from the rate headline alone.

What is different between the offers?

Which costs are estimates rather than lender charges?

What do I need explained in plain language?

My monthly ownership worksheet.

Write each cost once. Note whether the figure is a quote, an estimate or a confirmed amount. Do not treat this sheet as a lender qualification calculation.

Item	Monthly amount / confidence
Principal and interest	
Property taxes	
Homeowners / other insurance	
Mortgage insurance, if any	
Association fees, if any	
Utilities	
Maintenance / repairs provision	
Total planned ownership cost	

Reliable take-home income minus all other household needs

What remains after the ownership cost?

My upfront cash worksheet.

Use a separate note for earnest money and other amounts already paid. Ask your lender to reconcile these against the final cash-to-close figure.

Item	My amount
Available purchase savings	
Down payment	
Other closing costs	
Moving / setup	
Known immediate work	
Other committed funds	
Cash retained after purchase	

Does the retained cash fit the risks of this household and property?

What information would change my decision?

Questions before the commitment.

For your lender: What is included in the payment? What can change? What are the upfront tradeoffs? Which documents and updates do you need?

For an appropriate local professional: What contract dates apply? What does an inspection cover and exclude? Which property or title questions remain? What options exist if an important condition is not met?

For yourself: Does the home still fit if an expense rises? Am I depending on a raise, refinance or second income that is not confirmed? What makes waiting a workable choice?

Record the answer, who gave it and the date. A question is not resolved simply because it was asked.

Question / person / answer / date

Still unresolved / follow-up date

Try the ownership test.

1. The advertised principal-and-interest payment is \$1,450. In the fictional example, does that represent the full \$2,465 monthly planning amount?
2. From \$30,000 savings, subtract \$15,000 down payment, \$7,000 other closing costs and \$3,000 moving/setup. What remains?
3. Two offers use different loan amounts and dates. What should you do before calling one cheaper?

My answers / one unresolved question

Answers & one next step.

1. No. The example adds taxes, insurance, mortgage insurance, association fees, utilities and a repair reserve. Real costs vary.
2. \$5,000. If the additional \$4,000 immediate repair is included, \$1,000 remains.
3. Ask for comparable Loan Estimates or explanations of the differing assumptions before judging the cost.

Choose one action: complete the monthly worksheet, request a missing estimate, or write down what would make the timing feel financially workable. You do not need to choose a house today.

My next action / date

My current decision: continue researching, revise or pause

Sources you can follow.

Source numbers in the text open the original material. These public agencies and university Extension programs provide the educational foundation; the examples, activities and editorial writing are original.

01 / Consumer Financial Protection Bureau

Figure out how much you want to spend ↗

<https://www.consumerfinance.gov/owning-a-home/prepare/figure-out-how-much-you-want-to-spend/>

02 / Consumer Financial Protection Bureau

Determine your down payment ↗

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

03 / Consumer Financial Protection Bureau

Consider whether it is the right time for you to buy ↗

<https://www.consumerfinance.gov/owning-a-home/prepare/consider-whether-its-the-right-time-for-you-to-buy/>

04 / Consumer Financial Protection Bureau

Compare and negotiate your loan offers ↗

<https://www.consumerfinance.gov/owning-a-home/compare/compare-loan-estimates/>

Edition & source notes.

05 / Consumer Financial Protection Bureau

Shopping for a mortgage ↗

https://files.consumerfinance.gov/f/documents/cfpb_shopping_for_a_mortgage.pdf

Edition 1.0 / October 27, 2026. U.S. context. Guidance and program details can change; confirm current terms with the original provider before acting.

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Original examples use invented dollar amounts. Worksheets are blank planning tools, not recommendations to buy a product or commit money.

Editorial still-life images were created with AI for this collection. They illustrate the topic and do not document a real household or financial result.

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