



Florida Home Buyer's Survival Guide

The Insider's Compass to Buying a Home

Loan programs · qualifying · the process · the lingo

A GUIDE BY

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Welcome to the Survival Guide

The nuts and bolts of what you need to know when buying a home in Florida.

Buying a home can make you feel like you're stepping into a foreign country. The lingo sounds strange. Maybe you have a translator close by, but you're not entirely sure they aren't trying to take advantage of you somehow. Perhaps the translator is a relative who's been in the country once or twice and you're not sure their directions will get you to the right destination.

This guide will help you understand the process and give you the compass you need to navigate your options and come out ahead. The right knowledge can save you a lot of money when buying a home. **I'm an insider, and I want you to know the secrets to buying a home like an experienced champ.**

This is meant to be a quick reference — not a college course on real estate. The nuts and bolts only.

What you'll learn

- What can be done and what can't be done
- What kind of credit score you actually need
- How much you can be pre-approved for and how it's calculated
- What perks you have as a first-time home buyer
- How the loan process actually works — start to finish
- The lingo, in plain English

Quick Definitions You Need to Know

Every realtor and seller wants you pre-approved if you're not paying cash. Before we look at loan programs, here are the four terms you need to know.

Mortgage Insurance

If you're not putting down 20%, you'll have mortgage insurance. Sometimes upfront, sometimes monthly, sometimes both. Upfront fees are financed into the loan.

Credit Score

Three credit bureaus report scores. Lenders use the **middle** of the three (not an average) to determine rate and eligibility.

Income

If you're not self-employed, lenders use your gross (pre-tax) income. Self-employed income gets reviewed differently — typically through tax returns or bank statements.

Closing Costs

Title charges, taxes, underwriting fees, survey, inspections, appraisal, and homeowners insurance. You can pay them yourself or negotiate seller-paid.



The 4 Major Loan Program Options

Each program has trade-offs. The right one depends on your credit, down payment, and where you're buying.

USDA — \$0 Down

Best for: First-time buyers in eligible rural Florida areas with moderate household income.

- **\$0 down payment**
- 620 minimum FICO (640+ for DTI flexibility)
- 0.35% monthly MI; 1% upfront funding fee
- ~\$112,450 income limit (1-4 person, most counties)
- 6% max seller concessions
- Loan can finance up to appraised value

FHA — 3.5% Down

Best for: First-time and repeat buyers without USDA's geographic limits, lower credit accepted.

- **3.5% down payment**
- 600 minimum FICO (exceptions to 580)
- 0.55% monthly MI; 1.75% upfront fee
- No geographic or income limits
- 6% max seller concessions
- Manufactured homes financeable back to 1976

Conventional — 3-5% Down

Best for: Buyers with higher credit. No upfront fee, MI falls off at 78% LTV.

- **3% down for first-time buyers, 5% standard**
- 620 minimum FICO
- PMI based on credit + down payment
- 10% down second homes, 20% investment
- Seller concessions: 9%/6%/3% by LTV
- 2026 conforming limit: \$832,750

VA — \$0 Down

Best for: Veterans, active military, qualifying surviving spouses. Almost always the best option for those who served.

- **\$0 down payment**
- 620 minimum FICO (exceptions to 580)
- **No monthly mortgage insurance**
- No geographic or income limits
- All closing costs can be seller-paid
- Some vets can have 2 VA loans simultaneously

Specialty programs also available: self-employed bank statement loans, jumbo loans, DSCR investor loans, one-time-close construction loans, and more. Call to discuss.



HOMETOWN HEROES

First-Time Buyer? Don't Skip Hometown Heroes

* Up to \$35,000 Toward Down Payment + Closing Costs

Florida's Hometown Heroes Program gives eligible occupations up to **\$35,000** via a 0% silent second mortgage that just sits in the back not collecting interest. Healthcare workers, teachers, first responders, military, veterans, and 50+ other professions qualify.

Who Qualifies

- **Healthcare workers:** nurses, medical techs, therapists, mental health workers, doctors, dental staff
- **School staff:** teachers, principals, counselors, school psychologists, food service, maintenance
- **First responders:** EMTs, paramedics, firefighters
- **Public safety:** 911 dispatchers, correctional officers, sworn law enforcement
- **Court employees:** assistant state attorneys, public defenders, court clerks
- **Childcare workers:** licensed childcare facility staff
- **Military & veterans**— first-time buyer requirement waived for veterans

Income limits range from \$95,300 to \$182,420 by county. Reservations open annually — funds run out fast every year. Call to check eligibility before applying.



QUALIFYING

What Does a Lender Look At?

Three things drive your approval: **credit, debt-to-income, and work history.**

Credit

Your credit is crucial. Borrowers on the borderline of acceptable can sometimes flip a "no" into a "yes" by paying down a credit card or two — a good mortgage originator will tell you exactly what to do. Collections are often okay. Foreclosures, bankruptcies, and short sales have seasoning requirements that vary by program. Lender overlays vary, so not everyone treats them the same.

Debt-to-Income (DTI)

You have two debt ratios. The **front-end ratio** is your proposed home payment as a percentage of your gross income. The **back-end ratio** includes all your other debts reflected on credit (car, credit cards, student loans, etc.).

Max DTI depends on your credit score, work history, and loan program. **Typical front-end max: 29-40%. Typical back-end max: 43-56%.** If you make \$5,000/month gross and your front-end max is 29%, your max home payment is \$1,450. With a 56% back-end max, your max total monthly debt is \$2,800.

Watch Out for Student Loans

Even on income-based repayment plans, some programs require lenders to use 0.5% of total balance owed as the assumed monthly payment — even though you aren't actually paying that. That can crush your DTI. Plan ahead.

Work History

Typically you need 2 years of work history. Same line of work is preferred — but if you don't have a serious gap of employment, a line-of-work change is okay. **Recent graduates working in a field related to their degree get the 2-year requirement waived.** Out of work for 2 months? You'll typically need to be back at work for 2 months before approval. Maternity leave and other extenuating reasons for leave are not an issue.



Documents to Gather

Have these ready when you apply — it speeds up everything that comes next.

- 2 years of tax returns, W-2s, and 1099s
- 1 month of pay stubs
- 2 months of bank statements (all pages — even blank ones)
- Mortgage statements and homeowners insurance declarations for any property you own

- Letters of explanation for any derogatory credit (some loan types require this)
- Driver's license / government-issued ID
- Social Security card or proof of SSN

All Pages of Bank Statements Required

If your statement says "page 1 of 8," provide page 8 — even if it's blank. The underwriter doesn't know it's blank without seeing it. Missing pages cause delays.

Bank, Retail Lender, or Broker?

Three types of mortgage lenders exist: your local bank, mortgage retail banks (all they do is mortgages), and **brokers**(who work with wholesale lenders). I've worked in retail and as a broker. Currently the broker world is beating all of the competition with better rates and lower closing costs — and there are more loan program options because there's a wholesale lender out there for just about every scenario. **Working with a broker gives you access to 200+ lenders, not just one.**



SHOPPING

Time to Start Shopping

You've applied, you've been pre-approved, and you know which loan program you're using. Now find a buyer's real estate agent. **A buyer's agent gets paid from the sale of the transaction**— you don't come out of pocket for their service. The seller has a percentage built in for real estate agents (typically 3% listing, 3% buyer's agent). Your agent will start sending you properties and scheduling showings.

You can also buy a home that's for sale by owner — we can help facilitate that, and a title company can assist. **Remember:**if you're buying with USDA \$0 down, the property must be in a USDA-eligible area. Your agent should help, or look it up by Googling "USDA eligibility" and entering the address.



MAKING THE OFFER

You Found a Home — Now What?

Time to put in an offer. At this point you decide whether to ask the seller to pay closing costs.

Seller Concessions Affect Net Price

If the seller pays your closing costs, what they actually receive is the net after the concession — not your offer price. If the property is listed at \$200,000 and you offer full price with \$4,000 in seller-paid closing costs, the seller actually nets \$196,000.

Seller accepts. Now you make an earnest deposit with the title company — typically \$500 to \$2,000. This money is held by the title company and will eventually go toward your closing costs and/or down payment.

Time for a home inspection. Lenders usually don't require full home inspections, but they're never a bad idea. USDA financing with a well requires a bacteria water test. VA financing requires both lead and bacteria tests. You have a period at the beginning of your contract to uncover issues via inspection — be timely.



LOAN PROCESS

The Loan Process — 4 Stages

From contract to closing, here's exactly what happens at each stage.

1

Disclosures

Within 1-2 days of contract, lender sends you disclosures. Sign them so the file goes into underwriting and income verification can start.

2

Appraisal

Ordered through an AMC after the home inspection. \$400-\$700. Determines value via comparable sales. You can only finance the sales price if home appraises for it.

3

Underwriting

The underwriter is the ultimate detective. Approval typically comes with conditions to clear (more docs, explanations). Patient and detailed wins here.

4

Closing

CD signed 4 days before closing. Insurance bound. Survey completed. Funding happens after docs are signed. Whole process: 20-30 days.

* Almost Home Program

Some lenders take you completely through underwriting **before you even find a home**. We call this our Almost Home Program — strengthens your offers and makes the transaction smoother.



LOAN-KILLER MISTAKES

6 Things That Can Kill Your Loan

During the loan process, these mistakes can blow up your closing. Avoid them.

Don't Take New Debt

No new credit cards, car loans, or furniture financing during the loan process. Even a small new tradeline can blow up your DTI.

Don't Quit Your Job

Even for a better job. Wait until after closing. Lenders verify employment again at the closing table.

Document All Gifts

Closing cost or down payment gifts must be tracked with a gift letter and the donor's bank statements showing the funds.

Cash Isn't Acceptable

Cash on hand cannot be used for down payment or closing costs. Money must be sourced and seasoned in a bank account.

All Pages of Statements

If it says "page 1 of 8," provide page 8 — even if it's blank. The underwriter doesn't know it's blank without seeing it.

Be Open Up Front

Back taxes, child support, alimony, foreclosures, bankruptcies — disclose them up front. The land mines will be found regardless.



CLOSING

You're at the Closing Table

Nothing you've signed up to this point actually obligates you to buy the house — but now it's time for the rubber to meet the road. The title company will have a stack of documents to sign, most of which should be familiar from your initial disclosure package. Your rate and APR will be there. Attestations that the home will be your primary residence. Attestations that if the property becomes a flood zone, you'll have to buy flood insurance.

If you need cash to close, you'd bring a cashier's check or wire money to the title company. The exact amount is usually known a couple of days before closing. **Stretch your wrist and get ready to sign, sign, sign.** Funding from the lender takes place relatively quickly after all docs are signed.

Then the Keys Are Yours

Congratulations. Your first payment is due 30 to 60 days after closing.



KEY TERMS

Key Terms to Understand

The mini-glossary. The full 140+ term glossary is on our website.

APR

Cost of money as a percentage. Your rate could be 5% but with closing costs your APR is 5.4%. Includes funding fees, underwriting charges, and rate-buy-down costs.

Discount Points

You can buy a lower rate by paying upfront points. Sometimes useful, sometimes not — depends on how long you'll hold the loan.

WDO Report

Wood Decomposing Organism report. Inspector checks for wood rot from termites or fungus. Required if appraiser flags it; always required for VA loans.

Survey

Required to determine encroachments on the property. Tells you exactly where your property line is and whether neighboring structures or fences cross it.

Title Work

Verifies chain of ownership, identifies any liens to be satisfied, and provides title insurance — making sure no one can lay claim to the property other than you.

Rate Locks

Your rate is "floating" until locked. Lock periods: 15, 30, 45, or 60 days. Extensions cost extra. Get the advice of a licensed mortgage originator before locking.

LTV

Loan-to-Value. The relationship between your loan balance and the appraised value of the property. A \$100,000 home with an \$80,000 loan has an LTV of 80%.

Escrow

Money held by a third party until conditions are met. Typically used for closing funds and for the monthly portion of taxes and insurance baked into your mortgage payment.



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Keith Meredith has been originating Florida mortgages for over 20 years. He specializes in helping buyers navigate every loan program available — conventional, FHA, VA, USDA, jumbo, self-employed bank statement programs, DSCR investor loans, manufactured home financing, and reverse mortgages.

As a mortgage broker working with 200+ wholesale lenders, Keith finds the right loan structure for each borrower's specific situation rather than defaulting to a single bank's products. He's known for plain-English communication, no-pressure consultation, and tackling complex scenarios that other lenders walk away from.

"My goal isn't to sell you a mortgage — it's to figure out which mortgage actually fits, even if that means telling you not to buy yet."

Get in Touch

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