

# First-Time Buyer Financing Checklist

## Downloadable Guides: FOR BUYERS

---

Buying your first property is one of life's major financial and emotional milestones. But beyond the excitement lies a web of paperwork, credit checks, and decisions that can feel overwhelming — especially for buyers navigating rural real estate, where financing challenges are even more nuanced.

This guide walks you through everything you need to consider — from credit scores to closing day — with special attention to what first-time buyers often miss.

### Understanding Your Buying Power

Start by reviewing your **credit score**. Most Canadian lenders require a score of at least 650 to qualify for favourable mortgage terms. Higher scores open doors to lower rates and better flexibility. If your score is below 600, consider working with a credit coach before applying.

Check your credit reports with Equifax and TransUnion and correct any errors. Then focus on reducing existing debts — especially high-interest ones like credit cards. Your **debt-to-income ratio** plays a major role in mortgage qualification.

---

### Down Payments: Rural vs Urban

Typical down payment rules in Canada:

- 5% for homes under \$500,000
- 10% for the portion between \$500,000–\$999,999
- 20% minimum for homes over \$1 million

But rural and vacant land purchases often require more. If there's **no house or services on the land**, you may need:

- 25–50% down
- A private lender or agricultural loan
- A secured line of credit or collateral

Talk to a mortgage broker who specializes in **rural or alternative financing** — not every bank is equipped for this.

---

## **Pre-Approval is Non-Negotiable**

Many buyers skip pre-approval, but in rural markets it's even more important. It shows sellers you're serious, lets you compete with confidence, and gives clarity on what you can afford.

Get pre-approved **before** you start looking, not after. Make sure to ask:

- Is this a pre-qualification or full pre-approval?

- How long is it valid?
  - Are there conditions tied to the property type?
- 

## **Closing Costs & Hidden Expenses**

Your budget should include **more than just the down payment**. Expect:

- Land Transfer Tax (LTT)
- Legal fees and title insurance
- Property appraisal
- Water and septic inspections
- Survey updates
- Insurance premium (if down <20%)

Budget an extra **1.5-4% of the purchase price** for these fees.

---

## ✓ Financing Prep Checklist

- Pull your credit reports from Equifax/TransUnion
  - Reduce debt and avoid large purchases before applying
  - Save up for your down payment + buffer
  - Meet with a mortgage broker to explore rural lending
  - Get pre-approved with real documentation
  - Budget for closing costs and inspections
  - Secure proof of income and NOAs from CRA
  - Ask about any property-specific lender requirements
- 

### Final Thoughts

Your first rural purchase can be both empowering and intimidating. By starting with strong financial preparation, you'll eliminate surprises and gain leverage in negotiations. Don't go it alone — lean on trusted professionals who understand not just real estate, but the financing realities that shape your purchase.

**With a clear plan and the right partners, your first property can be the foundation of a lifestyle you love.**