



Frequently Asked Questions

First-time Home Buyer's Edition



How much do I need for a down payment?

You don't always need 20%. Many loan programs start as low as 3-5%, and some offer assistance to help with down payments.

What loan programs are available in Minnesota?

Options include FHA, VA, USDA, conventional loans, and Minnesota Housing programs that provide down payment or closing cost help.

What costs are involved besides the down payment?

Closing costs (taxes, title and lender fees), inspections, appraisal and moving expenses. These usually run 2-3% of the purchase price.

How long does it take to buy a home?

Once you're under contract, most closings take 30-40 days. Finding the right home can take a few weeks to a few months.

How competitive is the Twin Cities' market right now?

It changes seasonally, but expect multiple offers in popular areas like Eden Prairie and Plymouth. Having a strong agent and loan pre-approval gives you an edge.

What's earnest money and how much is typical?

Earnest money is a deposit that shows you're a serious buyer. It is usually 1-2% of the purchase price and it is applied to your closing costs or down payment.

What happens at closing, and when do I get my keys?

You'll sign your final paperwork, pay closing costs, and the home officially becomes yours. Keys are usually given to buyers on closing day.

Are there first-time buyer programs in Minnesota?

Yes! Minnesota Housing offers down payment help, low-interest loans, and a tax credit program.