



FREE GUIDE · 2026 EDITION

The Minnesota First-Time Homebuyer Guide

The 10 steps from "I think I'm ready" to getting your keys, the costs to plan for, where to find down payment help, and your first year as a homeowner.

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START HERE

Welcome, future homeowner

Buying your first home comes with a lot of new words at once: pre-approval, earnest money, contingencies, homestead. This guide explains each one when you need it, in the order you'll meet it.

Programs, limits and rules change, so wherever details matter we point you to the official source. Use this guide to know what to ask, then confirm the details with your lender and each program.

The short version: know your numbers, get pre-approved, check down payment assistance early, and don't make big financial changes until after closing.

Your 10 steps at a glance

1. Know your numbers
2. Get pre-approved
3. Check down payment help and take a homebuyer class
4. Choose your agent and sign a buyer agreement
5. Shop for homes
6. Make an offer
7. Get inspections
8. Appraisal and final loan approval
9. Closing day
10. Move in and apply for homestead

Steps 1 to 5: getting ready

1

Know your numbers

Add up your monthly income, debts and savings. A lender will tell you what you can borrow; you decide what monthly payment (mortgage, property taxes, insurance and any association dues) still leaves room for the rest of your life.

2

Get pre-approved

A pre-approval letter shows sellers you can get financing. Talk to at least two lenders. Ask about loan types (conventional, FHA, VA, USDA) and whether they work with Minnesota down payment assistance programs.

3

Check down payment help and take a homebuyer class

Many assistance programs have income and price limits and must be used with a participating lender, so check early. Many also require a homebuyer education course; the Minnesota Homeownership Center lists approved options.

4

Choose your agent and sign a buyer agreement

Before you tour homes, your agent's brokerage will ask you to sign a written buyer agreement. It explains what your agent does for you and how they are paid. Ask questions until it's clear.

5

Shop for homes

List your must-haves and nice-to-haves. On tours, ask about the age of the roof, furnace and water heater, and typical utility costs. Your agent can pull facts about each home; you decide what's right for you.

Steps 6 to 10: from offer to keys

6

Make an offer

Your offer sets the price, earnest money (a deposit that is credited back to you at closing), closing date and contingencies, such as inspection and financing. The seller can accept, counter or decline.

7

Get inspections

A home inspection checks the home's condition. The Minnesota Department of Health recommends testing homes for radon, and a sewer scope is worth considering for older homes. Your inspection contingency gives you time to decide what to do next.

8

Appraisal and final loan approval

Your lender orders an appraisal and finishes underwriting. Until closing, don't open new credit, change jobs or make large purchases without talking to your lender first.

9

Closing day

You'll receive a Closing Disclosure at least three business days before closing. Compare it with your Loan Estimate. Always confirm wiring instructions by phone using a number you already know: wire fraud targets home buyers.

10

Move in and apply for homestead

After you move in, apply for homestead with your county. It can lower your property taxes. Then update your address and set up utilities.



MONEY

Costs to plan for and where to find help

Costs beyond the price

- **Down payment.** Varies by loan; some loans allow a low down payment for eligible buyers.
- **Earnest money.** Paid with your offer, credited at closing.
- **Closing costs.** Lender fees, title insurance, prepaid taxes and insurance, and Minnesota's mortgage registration tax. Your Loan Estimate lists them.
- **Inspections and appraisal.**
- **Homeowners insurance.**
- **Moving, utilities and a repair cushion.**

Down payment assistance in Minnesota

- **Minnesota Housing:** statewide homebuyer programs, including down payment and closing cost loans for eligible buyers. mnhousing.gov
- **County programs,** for example Dakota County CDA. dakotacda.org
- **City programs,** for example Minneapolis and Saint Paul. minneapolismn.gov · stpaul.gov
- **Search by address:** downpaymentresource.com
- **Homebuyer education:** Minnesota Homeownership Center. hocmn.org

Programs have eligibility rules and limited funding, and they change. Confirm current details with each program and a participating lender.



YOUR FIRST YEAR

A Minnesota homeowner checklist

Fall

- Replace the furnace filter and schedule a furnace check.
- Shut off and drain outdoor faucets.
- Clean gutters and downspouts.
- Test smoke and carbon monoxide alarms. Minnesota requires CO alarms near sleeping rooms.

Winter

- Know where your main water shutoff is.
- Keep the heat on when you travel.
- Watch for ice dams along the roof edge.
- Test for radon if the home hasn't been tested recently.

Spring

- Check that the sump pump runs.
- Make sure downspouts drain away from the foundation.
- Look for winter damage to the roof and siding.

Summer

- Service the air conditioning.
- Seal, paint and repair exterior surfaces.
- Trim trees away from the roof.

Words you'll hear

Pre-approval	A lender's written estimate of what you can borrow, based on your documents.
Contingency	A condition in your offer, such as an inspection or financing, that must be met.
Appraisal	An independent estimate of the home's value, ordered by your lender.
Closing Disclosure	The final statement of your loan terms and costs.
Homestead	A county classification for your primary home that can lower property taxes.



Want a plan for your situation?

Book a free 30-minute consultation with Weshebi Desmond. You'll talk through your goals, timeline and budget, and leave with clear next steps.

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This guide is general information, not legal, tax or lending advice. Programs and rules change; confirm details with each program and your lender. Current as of September 2026.