

The
YES I AM*cheap*
Guide To:

What to do the **Year Before** You Buy a House

A SIMPLE AND PRACTICAL GUIDE TO
THE STEPS THAT YOU SHOULD TAKE
TO SET YOUR HOME BUYING EXPERIENCE UP
FOR SUCCESS

PLAN TODAY
PREPARE SMARTER

*Buy with
Confidence*



*Real strategies.
Real freedom.*

Helping you build your
best financial life.



YESIAMCHEAP.COM

Buying a Home Starts Long Before the Open House

Buying a home is one of the biggest financial decisions most people will ever make – and it's often driven by emotion.

But in 2026, preparation matters more than ever.

Between higher home prices, fluctuating mortgage rates, insurance costs, property taxes, maintenance expenses, and moving costs, the year before you buy can have a major impact on your long-term financial success.

The good news?

You don't have to figure everything out overnight.

Small, intentional actions over the course of a year can dramatically improve:

- your mortgage options
- your interest rate
- your financial confidence
- and your overall homebuying experience.

This guide combines practical advice, expert insights, and real-world preparation tips to help you get financially ready before you buy a house.



My Own Homebuying Story

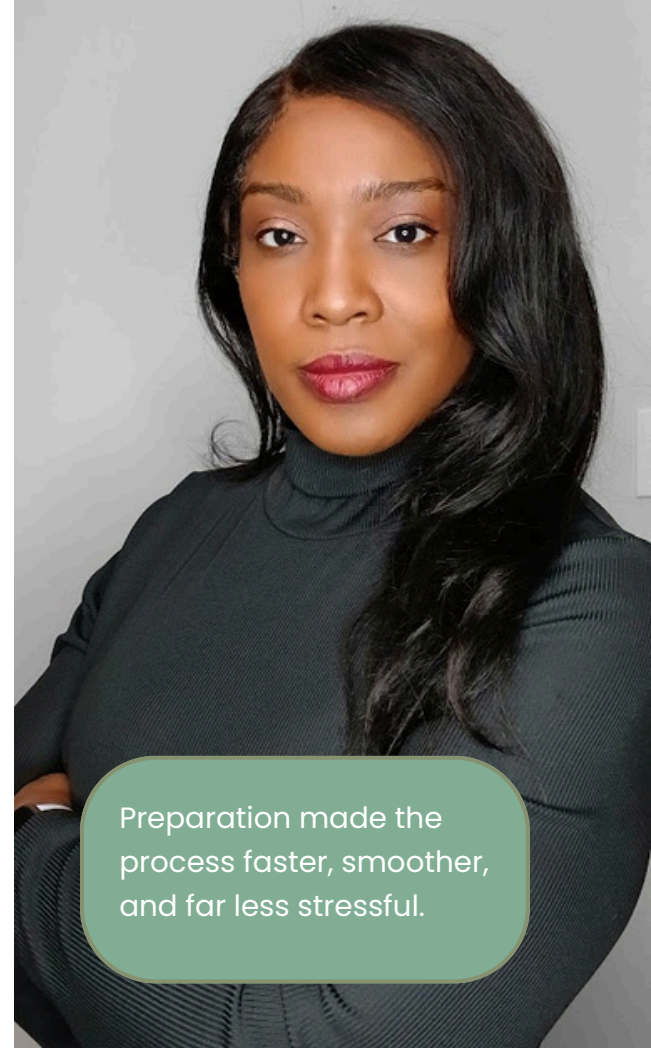
I owned investment property for years, but I never imagined buying a home to live in long term in New York City.

The prices felt outrageous.

But everything changed after I had my son. Suddenly, the apartment that once felt perfectly fine started feeling very small – and very crowded.

My husband and I bought our home the day my son turned six months old.

From the moment we seriously began house hunting to closing took only about three months, but the truth is that we had been financially preparing much longer than that. And that preparation made all the difference.



Preparation made the process faster, smoother, and far less stressful.

Sandy Smith
Founder
yesiamcheap.com

A Simple 12-Month Home Buying Timeline

12

12 Months Out

- Review credit
- Evaluate debt
- Start budgeting
- Check savings

9

9 Months Out

- Build emergency savings
- Reduce credit utilization
- Avoid missed payments

6

6 Months Out

- Avoid major purchases
- Pause opening new credit cards
- Research neighborhoods

3

3 Months Out

- Gather financial documents
- Compare lenders
- Research mortgage options

1

1 Month Out

- Final financial cleanup
- Prepare cash reserves
- Begin serious house hunting

Start With Your Credit

Your credit score can directly impact:

- your mortgage approval
- your interest rate
- and the total amount you'll pay over the life of the loan



Check my credit to make sure there are no errors and I'd qualify for the loan and rate I'd want."

- Lance Cothorn,
Money Manifesto

WHAT YOU SHOULD DO

- ✓ Pull your credit reports from all three major bureaus
- ✓ Review for errors and dispute any inaccuracies
- ✓ Pay all bills on time
- ✓ Reduce credit card balances and keep utilization low
- ✓ Avoid opening new credit accounts



Even a small increase in your mortgage credit score could potentially save you thousands of dollars over the life of your loan through lower interest rates.



Save Aggressively for Your Down Payment

You're not just saving for a down payment – you're saving for closing costs, moving expenses, furniture, repairs, inspections, utility deposits, and emergencies.



Find ways to make extra money. There are always extra costs that pop up and by making extra money, you can take off some of that financial stress that comes with buying a house.

- Michelle Schroeder-Gardener,
Making Sense of Cents

Consider a side hustle, reduce unnecessary expenses, and explore safe investment options to grow your down payment faster.



save everything you can to get to the next threshold for your down payment. (Say, 5%, 10%, 15% or 20%). Pricing on mortgages is VERY sensitive to loan-to-value ratio.

- Casey Fleming, former Mortgage Advisor



You do NOT have to put 20% down. Many loan programs allow lower down payments, though smaller down payments may increase monthly payments and PMI.

Don't Drain Your Entire Savings Account

Your down payment is only part of the equation. New homeowners are often surprised by how quickly expenses add up after closing.

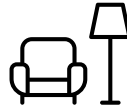
EXPECT ADDITIONAL COSTS LIKE:



Moving expenses



Repairs & maintenance



Appliances & furniture



Landscaping & lawn care



Utility bills



Insurance adjustments



Unexpected repairs



Emergency fund needs

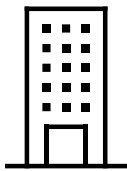


Moving into a home with no remaining cash reserves can create enormous financial tress. Aim to keep an emergency fund intact even after closing.

Review Your Budget Honestly

A mortgage payment is not the same thing as affordability. you also need to account for the ongonig costs of owning a home.

BEYOND THE MORTGAGE PAYMENT



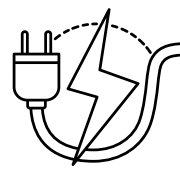
Property
taxes



Homeowners
insurance



HOA fees



Utilities



Maintenance
& repairs

The 28/36 Rule is a helpful guide:

28%

of gross income on
housing expenses

36%

of grodd incoe on total debts
(loans, cards, etc.)



Eat rice and beans...and squeeze out as many dollars from your food budget as you can!

- Erin Chase, \$5 Dinners



Sometimes the financial moves you avoid are just as important as the ones you make.

Avoid These Common Mistakes

The actions that you don't take can be just as effective as the actions that you do take.

- ❌ Opening new credit cards or lines of credit
- ❌ Financing furniture, appliances, or other big purchases
- ❌ Buying a new car
- ❌ Taking on large debt or loans
- ❌ Making large or unexplained bank deposits
- ❌ Changing jobs or becoming self-employed
- ❌ Missing payments or paying bills late
- ❌ Overspending during the homebuying process



I am not opening any credit cards, buying a car, furniture, big screen tv, etc. I am doing nothing that would jeopardize my ability to get a mortgage.

- Mindy Jensen, BiggerPockets

Understand Pre-Qualification vs Pre-Approval

	Pre-Qualification	Pre-Approval
What it is	Early estimate from a lender	Formal review from a lender
Based on	Self-reported information	Verified documents and credit check
Purpose	Helps you estimate how much you might be able to borrow	Shows sellers you're a serious and qualified buyer
Review level	Minimal review	Full credit, income, and asset review



Mortgage pre-approvals carry more weight when you're ready to make an offer because sellers know your financing has been verified

Research More Than Just the House

A beautiful house in the wrong neighborhood can quickly become a regret. Do your homework!

BEYOND THE MORTGAGE PAYMENT

- ✓ Property taxes
- ✓ Flood zones and risk
- ✓ Schools and districts
- ✓ Future development plans
- ✓ Commute times
- ✓ HOA rules (if applicable)
- ✓ Overall lifestyle fit
- ✓ Neighborhood safety
- ✓ Nearby amenities

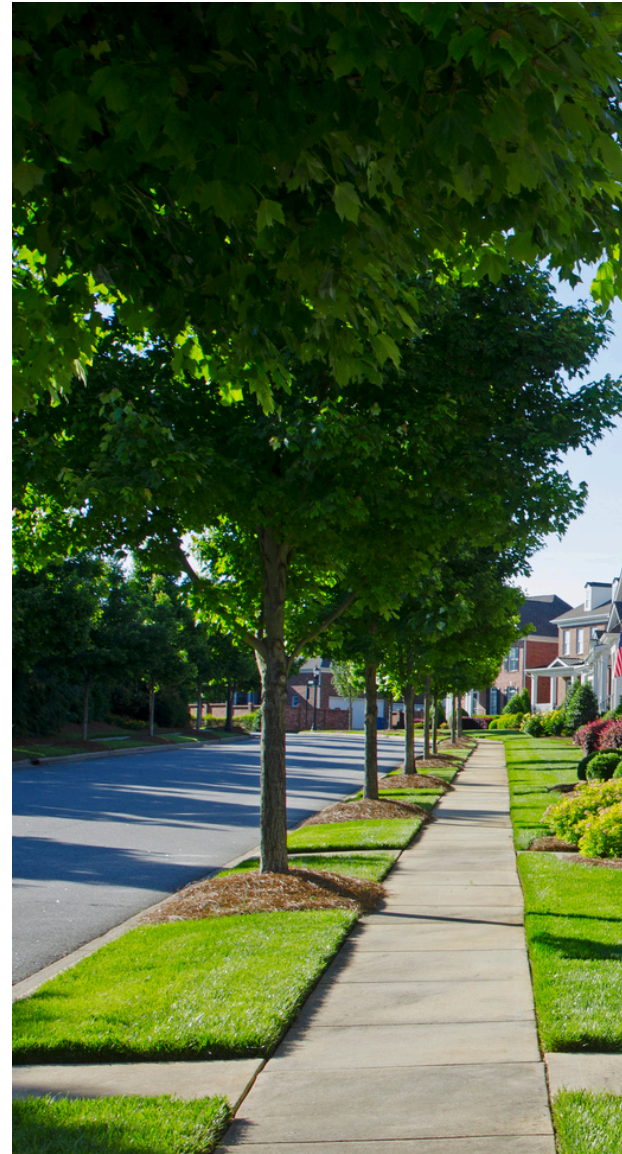


Go hand out in [the neighborhood] every weekend

- Kelly Whalen, The Centsible Life



Sometimes living in an area feels very different from simply visiting it.



Build the Right Team

The professional you choose can save you money, stress, and costly mistakes.



Realtor



Lender



Attorney



Home
Inspector



A good inspector once saved us nearly \$70,000 in future repairs by identifying foundation issues before we purchased a property.

Start Preparing for the Move Early

Moving almost always takes a lot longer than expected. Start before you've even found a home to buy.

START EARLY:

- ✔ Declutter your home
- ✔ Organize and simplify
- ✔ Donate items you no longer need
- ✔ Sell items to boost your savings
- ✔ Get packing supplies early
- ✔ Label and plan by room



Decluttering now will make packing easier and moving cheaper.

- Rebecca G. Neal

Additional resources

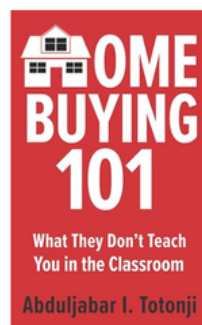
Your home is likely the biggest purchase that you will ever make. Preparation gives you more options, less stress, and greater confidence throughout the process.

The year before you buy matters. The small decisions you make now can shape:

- your approval odds
- your mortgage terms
- your financial flexibility
- and your long-term stability as a homeowner.

Dream big — but prepare carefully.

The books below are also great guides for first time home buyers.



Looking for more financial tips, homebuying advice, and money strategies? Visit [yesiamcheap.com](https://www.yesiamcheap.com)