

EXCLUSIVE FIRST-TIME BUYER GUIDE • 2026 EDITION



The Maryland *First-Time Buyer* Playbook

Everything You Need to Buy Your First Home in
Howard County, Carroll County & Beyond

YOUR GUIDE • YOUR EXPERT

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Equal Housing Opportunity

WELCOME

Let's Get You Into Your First Home

Hi, I'm Jil Bhimani — a Maryland real estate agent with the Bob Lucido Team of Keller Williams Lucido Agency. I built this playbook because buying your first home shouldn't feel like a foreign language. It should feel like a clear path with real numbers, honest answers, and someone in your corner who has done this hundreds of times.

This guide pulls together everything I wish every first-time buyer in Howard County and Carroll County knew before they started: how the process actually works, what loan programs exist, where to find free down payment money, and how to avoid the mistakes that cost buyers thousands.

Sources cited throughout this guide include the National Association of REALTORS® (NAR), the Maryland Department of Housing and Community Development (DHCD), Howard County DHCD, the Carroll County Association of REALTORS®, the Howard County Association of REALTORS®, Bright MLS, and HUD.

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01

The Maryland Market Right Now

Before we talk strategy, here's the lay of the land. These numbers come from the National Association of REALTORS® (NAR) 2025 Profile of Home Buyers and Sellers and recent Maryland market data.

\$446,900	21%	40	\$13,407
Median MD home price	First-time buyer market share	Median age of first-time buyers	Minimum 3% down payment

What this means for you

First-time buyers are now **21% of all home buyers**, the lowest share NAR has recorded since 1981. That sounds discouraging — but it actually means less competition for starter homes and townhomes. Sellers also know they need to be more flexible, which gives first-time buyers more negotiating leverage than they had two years ago.

In Maryland specifically, the median home sale price is around **\$446,900**, but Howard and Carroll County buyers will see a wider range. According to recent MLS data: Sykesville's median is ~\$516K, Columbia's is ~\$474K, and Ellicott City's is ~\$686K. Condos and townhomes in all three markets offer entry points well below the median.

REALITY CHECK

You don't need 20% down. The minimum down payment in Maryland can be as low as 3% (conventional) or 3.5% (FHA). Many of my first-time buyer clients put down less than \$15,000 total when grants are layered in.

02

Are You Ready? The 7-Point Check

Before you book a single showing, run yourself through this 7-point readiness check. If you can answer 'yes' to at least 5 of these, you're in a strong position to start.

1. Stable income

You've been employed in the same field for at least 2 years (W-2 or self-employed). Lenders want consistency, not perfection.

2. Credit score 580+

FHA loans accept 580+. Conventional loans typically require 620+. The higher your score, the better your rate.

3. Debt-to-income under 43%

Your total monthly debts (including the new mortgage) should be under 43% of your gross monthly income.

4. Savings for upfront costs

You have at least \$8,000–\$15,000 saved for down payment + closing costs (less if you qualify for assistance).

5. Plan to stay 3+ years

Buying makes financial sense when you'll own the home long enough to recoup closing costs and build equity.

6. No major life changes pending

Don't open new credit cards, change jobs, or make large purchases during the 60-90 day process.

7. You're emotionally ready

House-hunting is exciting AND stressful. Make sure you and any co-buyers are on the same page.

03

Credit, Income & Down Payment

Your credit score sets your rate

Even a 20-point credit score improvement can save you \$20,000+ over the life of your mortgage. Here's roughly what to expect at each tier (rates fluctuate):

Credit Score	Loan Type Available	Typical Rate Impact
760+	Conventional, FHA, VA	Best rates available
700–759	Conventional, FHA, VA	Very competitive rates
680–699	Conventional, FHA, VA	Slightly higher rates
620–679	FHA, VA, some conventional	Higher rates; PMI required
580–619	FHA (3.5% down minimum)	Highest rates; consider improving first
Under 580	FHA (10% down) or improve credit	Talk to a lender about credit repair

Quick wins to boost your score in 30–60 days

- Pay down credit card balances below 30% of the limit (ideally under 10%)
- Don't close old credit cards — they help your credit history length
- Dispute any errors on your credit report (use AnnualCreditReport.com — free, official)
- Become an authorized user on a family member's well-maintained card
- Pay every bill on time — set up autopay for minimums at minimum

How much do you actually need saved?

Here's a realistic breakdown for a \$400,000 home in Maryland with an FHA loan (3.5% down) and no down payment assistance:

Cost	Amount
Down payment (3.5% FHA)	\$14,000
Closing costs (2–5%)	\$8,000 – \$20,000
Home inspection	\$400 – \$600

Earnest money deposit	\$2,000 – \$5,000 (credited back at close)
Moving expenses	\$500 – \$2,500
Total upfront (estimate)	\$22,900 – \$42,100

INSIDER TIP

Maryland's down payment assistance programs can reduce that upfront cost by \$5,000–\$25,000+. Many of my clients close on their first home with less than \$10,000 out of pocket. We'll cover this in Section 05.



04

Loan Programs for First-Time Buyers

Most first-time buyers in Maryland use one of four loan types. Each has trade-offs — your situation determines which is best. A good loan officer (I work with several trusted ones) will compare them for you with real numbers.

FHA Loan

Down payment: 3.5% (with 580+ credit)

Best for: First-time buyers with lower credit scores or smaller down payments

Heads up: Requires mortgage insurance (MIP) for the life of the loan in most cases

2026 FHA loan limit (Howard County): \$1,209,750

Conventional Loan

Down payment: 3% (first-time buyer programs like HomeReady/Home Possible) to 20%

Best for: Buyers with 620+ credit who can put at least 5% down

Heads up: PMI required under 20% down, but it drops off automatically at 78% LTV

Tip: Better long-term cost than FHA if you have 5%+ down and 700+ credit

VA Loan (for veterans, active military, eligible spouses)

Down payment: 0%

Best for: Anyone eligible for VA benefits — this is the most generous loan available

Heads up: One-time funding fee (can be financed into the loan)

Maryland bonus: The Maryland Mortgage Program offers Maryland Homefront for veterans

USDA Loan (for eligible rural areas)

Down payment: 0%

Best for: Buyers in eligible rural and suburban areas — parts of Carroll County qualify

Heads up: Income limits apply; property must be in a USDA-designated area

Tip: Use the USDA eligibility map for the exact property address

05

Maryland Down Payment Assistance

This is the section most first-time buyers don't know about — and where I save my clients the most money. The Maryland Department of Housing and Community Development (DHCD) administers the Maryland Mortgage Program (MMP), which is one of the most generous state-level homebuyer programs in the country.

Maryland Mortgage Program (MMP) 1st Time Advantage

30-year fixed-rate mortgage with competitive interest rates for eligible first-time buyers. Comes in several flavors:

- **1st Time Advantage Direct** — Lowest interest rate; no DPA included
- **1st Time Advantage 5000** — \$5,000 in down payment assistance as a 0% deferred loan
- **1st Time Advantage 6000** — \$6,000 in down payment assistance as a 0% deferred loan
- **Flex 4% / 5%** — Down payment assistance equal to 4% or 5% of the first mortgage amount

Maryland SmartBuy (Student Loan Debt Relief)

If you have student loan debt, this is a game-changer. As of June 2026, eligible buyers can receive up to **\$25,000 in student loan payoff assistance** when they purchase a home through MMP — a 25% increase from the previous \$20,000 limit. Combined with DPA, the average aid for buyers earning below 50% of Area Median Income is around \$40,000.

Maryland HomeAbility & Maryland Homefront

HomeAbility supports buyers with disabilities (or households with a disabled member) with reduced rates and DPA. Maryland Homefront is for veterans, active duty military, and surviving spouses, offering preferential interest rates on top of VA loan benefits.

MMP Eligibility Basics

Most programs require: purchasing in Maryland, using one of 80+ participating lenders, completing an approved homebuyer education course, household income at or below the local limit, and meeting credit/purchase price requirements. Income limits vary by county and household size — I'll check your eligibility for free.

FREE MONEY REALITY

Most Maryland first-time buyers qualify for some form of down payment assistance — they just don't know it. The application happens through your lender alongside your loan, not as a separate process. We'll handle this together.

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Howard County & Carroll County Programs

Howard County DHCD Settlement Down Payment Loan Program (SDLP)

Available through Howard County's Department of Housing & Community Development, the SDLP provides deferred loans for settlement and down payment costs at an interest rate 2 percentage points below the primary mortgage rate. Key requirements:

- Must be purchasing a primary residence in Howard County
- First-time homebuyer status required (for HomeStarter, HomeSteadier, and DreamMaker loans)
- Must contribute at least \$1,000 of your own funds toward settlement/down payment
- Must have at least one month's PITI (mortgage payment) in savings at closing
- Required: pre-purchase homebuyer counseling
- Loans are deferred — repaid only when you sell, refinance, or default

Howard County MIHU Program (Moderate Income Housing Unit)

Howard County requires a percentage of new developments to be sold below market rate to income-eligible buyers. Through MIHU, qualified first-time buyers can purchase brand-new homes in desirable Howard County developments at a substantial discount. Selection happens by lottery.

Carroll County Resources

Carroll County doesn't have its own DPA program at the same scale as Howard County, but Carroll County residents are fully eligible for statewide Maryland Mortgage Program assistance. The **Carroll County Association of REALTORS®** and Carroll County Habitat for Humanity also maintain homeownership resources for residents. Carroll County's lower property tax rate (relative to Howard County) often offsets the lack of county-level DPA.

Where to verify everything

Resource	Where to Find It
Maryland DHCD / MMP	mmp.maryland.gov
Howard County DHCD	howardcountymd.gov/dhcd
Carroll County housing info	carrollcountymd.gov
Howard County Assoc. of REALTORS®	hcarealtors.com
Carroll County Assoc. of REALTORS®	ccrealtors.com
NAR (national data)	nar.realtor



MLS (Bright MLS for MD)	brightmls.com
HUD-approved counseling	hud.gov/counseling



07

The 10-Step Home Buying Process

Here's the entire process from first conversation to keys in hand. Most clients close in 60–90 days.

- 01 Free consultation**
We talk goals, timeline, budget, and what you actually want in a home. No commitment.
- 02 Get pre-approved**
I connect you to a trusted MD lender. Pre-approval (1–3 days) confirms your max budget.
- 03 Define your search**
We finalize neighborhoods, must-haves vs. nice-to-haves, and target price range.
- 04 Tour homes**
I send you matching MLS listings. We tour your favorites — usually 5–15 before you find 'the one.'
- 05 Make an offer**
I write a strategic offer based on comps, market conditions, and seller motivation.
- 06 Negotiate & ratify**
We negotiate price, contingencies, closing date, and inclusions. Contract becomes binding.
- 07 Inspection & appraisal**
Inspection (~\$500) reveals any issues. Lender orders an appraisal. We negotiate repairs if needed.
- 08 Loan processing**
Underwriting (30–45 days). You'll provide documentation. I keep everything moving.
- 09 Final walkthrough**
Day before closing: confirm home condition matches contract.
- 10 Closing day**
Sign paperwork, wire your down payment, and get your keys. Welcome home.

08

Closing Costs Demystified

Closing costs typically run 2–5% of the home price. For a \$400,000 home in Maryland, expect \$8,000–\$20,000. Here's where that money actually goes:

Cost	Typical Amount	What It Pays For
Loan origination	0.5%–1% of loan	Lender's fee for processing your loan
Appraisal	\$400–\$700	Lender-required home valuation
Credit report	\$25–\$100	Pulling your credit
Title insurance	\$1,000–\$2,500	Protects against title defects
Title search	\$300–\$600	Confirms property ownership history
Recording fees	\$100–\$300	County recording the deed
MD transfer tax	0.5% of price	State + county transfer tax
MD recordation tax	Varies by county	Tax on the mortgage itself
Prepaid escrow	2–6 months	Initial taxes & insurance into escrow
Homeowners insurance	\$800–\$2,000/yr	First year often paid at closing
Survey (if required)	\$300–\$600	Property boundary verification

NEGOTIATION STRATEGY

In a balanced or buyer-friendly market, I often negotiate for the seller to pay 2-3% in 'seller concessions' toward your closing costs. This can shift \$10,000+ off your out-of-pocket cost at closing.



09

7 Mistakes That Cost First-Time Buyers

1. Touring homes before pre-approval

You'll fall in love with something out of your budget — or lose your dream home to a buyer who came pre-approved. Always: pre-approval first, then tours.

2. Skipping the home inspection

Even on new construction. A \$500 inspection can save you \$50,000 in surprises. Always inspect.

3. Maxing out your pre-approval

Just because you're approved for \$500K doesn't mean you should spend \$500K. Account for maintenance, utilities, HOA, and life happening.

4. Making big purchases during escrow

Don't buy a car, finance furniture, or open new credit cards between contract and closing. It can sink your loan.

5. Ignoring down payment assistance

Maryland has some of the best DPA programs in the country. Most buyers don't ask. You should — it's often free money you'd otherwise leave on the table.

6. Choosing the wrong agent

A bad agent costs you in negotiation, missed opportunities, and stress. Interview 2–3. Look for first-time buyer specialization, responsiveness, and honesty.

7. Underestimating closing costs

Many buyers save enough for the down payment, then realize closing costs blow up their numbers. Budget for both from day one — see Section 08.

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Your Next Steps

You've now seen more of the Maryland first-time buyer process than 95% of buyers ever do. Here's exactly what to do next — in order:

This week: Pull your free credit report at AnnualCreditReport.com. Note your score and any errors.

Next 7 days: Total up your savings, monthly debts, and stable monthly income. We'll need these numbers.

Within 14 days: Book a free consultation with me. We'll talk through your situation — zero pressure, zero commitment.

Days 14–21: Get pre-approved with a trusted MD lender (I'll introduce you). Pre-approval takes 1–3 days.

Day 21+: Start touring homes that match your real budget and criteria.

Ready to Talk?

Free 30-minute consultation. No pressure. No commitment. Just clarity.

■ Call or Text	✉ Email	■ Website
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