BOB LUCIDO TEAM
OF KELLER WILLIAMS LUCIDO AGENCY

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

$446,900	21%	40 yrs	~3%
Avg. MD Home Price*	Est. First-Timer Share*	Avg. Age, First-Timers*	Min. Down Payment*

*Source: NAR 2025 Profile of Home Buyers & Sellers. Figures are national/state averages for reference only.

YOUR GUIDE • YOUR EXPERT

Jil Bhimani

Maryland Real Estate Agent | First-Time Home Buyer Specialist

Bob Lucido Team of Keller Williams Lucido Agency

443-410-8740 | Broker: 410-465-6900 | jilbhimani.com

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.

> **Important:** All figures, rates, program limits, and cost estimates in this guide are approximate or historical averages for educational reference only. Real estate markets, loan products, assistance programs, and costs change frequently. Always verify current details with a licensed Maryland lender, program administrator, or qualified professional before making any financial decisions.

Sources: National Association of REALTORS® (NAR), Maryland DHCD, Howard County DHCD, Carroll County government, HUD, Bright MLS. See Sources page for full citations.

WHAT'S INSIDE

SECTION 01

The Maryland Market Right Now

Figures below are from the NAR 2025 Profile of Home Buyers & Sellers and recent Maryland MLS data. All numbers are approximate averages and may not reflect current conditions in your specific market.

$446,900	21%	40 yrs	~3%
Avg. MD Home Price	Est. First-Timer Share	Avg. Age, First-Timers	Min. Conv. Down Pmt.

Source: NAR 2025 Profile of Home Buyers & Sellers. Figures are national/state averages. Local market data via Bright MLS. Past performance does not predict future values.

First-time buyers represent approximately **21%** of all home buyers — the lowest share NAR has recorded since 1981. That actually means less competition for starter homes and townhomes, and sellers who need to be more flexible, giving buyers more negotiating leverage than two years ago.

In Maryland, the average home sale price is around **$446,900**, but Howard and Carroll County buyers will see a wider range. Recent MLS data suggests Sykesville averages ~$516K, Columbia ~$474K, and Ellicott City ~$686K. Condos and townhomes offer entry points well below those figures. *These are approximate averages — actual prices vary by property and timing.*

REALITY CHECK

You don’t need 20% down. The minimum is as low as 3% (conventional) or 3.5% (FHA). Many first-time buyer clients put down less than $15,000 total when assistance programs are layered in. Actual amounts depend on loan type, credit, and program eligibility.

SECTION 02

Are You Ready? The 7-Point Check

Before you book a single showing, run through this 7-point readiness check. If you can answer ‘yes’ to at least 5, 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 look for consistency. Requirements vary by loan type and lender.

✓ **2. Credit Score 580+**
FHA loans typically accept 580+; conventional loans usually require 620+. Higher scores generally mean better rates. Exact requirements depend on the lender.

✓ **3. Debt-to-Income Under 43%**
Your total monthly debts (including the new mortgage) should generally be under 43% of gross monthly income. Some programs allow up to 50% with compensating factors.

✓ **4. Savings for Upfront Costs**
Plan for $8,000–$15,000+ for down payment + closing costs. Down payment assistance may reduce this — see Section 05. Exact amounts vary.

✓ **5. Plan to Stay 3+ Years**
Buying generally makes financial sense when you’ll stay long enough to recoup closing costs and build equity. This is a general guideline, not a guarantee.

✓ **6. No Major Life Changes Pending**
Avoid opening new credit, changing jobs, or making large purchases during the 60–90 day process. These can affect your loan approval.

✓ **7. You’re Emotionally Ready**
Home-buying is exciting and stressful. Make sure you and any co-buyers are aligned on goals and timeline.

SECTION 03

Credit, Income & Down Payment

Your credit score sets your rate

Even a modest credit score improvement can meaningfully reduce your mortgage rate over the life of a loan. The table below shows general tier guidance — *rates fluctuate daily and vary by lender, loan type, down payment, and market conditions. These are illustrative ranges only.*

Credit Score	Loan Types (General)	Rate Tier (Illustrative)
760+	Conventional, FHA, VA	Typically best available
700–759	Conventional, FHA, VA	Very competitive
680–699	Conventional, FHA, VA	Slightly higher
620–679	FHA, VA, some Conventional	Higher; PMI likely
580–619	FHA (3.5% min. down)	Highest; consider improving first
Under 580	FHA (10% down) or credit repair	Consult lender

Rate tiers are illustrative only. Mortgage rates change daily. Contact a licensed Maryland lender for a personalized rate quote based on your credit profile.

Quick wins to boost your score in 30–60 days

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

How much do you actually need saved?

Sample breakdown for a **$400,000 home** with an FHA loan (3.5% down) and no assistance programs — for illustration only:

Cost Item	Est. Amount	Notes
Down payment (3.5% FHA)	~$14,000	Estimate; verify with lender
Closing costs (2–5%)	~$8,000–$20,000	Varies by lender, county, loan
Home inspection	~$400–$600	Highly recommended; not required by all lenders
Earnest money deposit	~$2,000–$5,000	Typically credited back at closing

Cost Item	Est. Amount	Notes
Moving expenses	~$500–$2,500	Estimate; varies widely
Total upfront (est.)	**~$22,900–$42,100**	Before any assistance programs

Sample estimates for a $400,000 purchase price. Actual costs vary by property, lender, county, and transaction. Down payment assistance may significantly reduce out-of-pocket amounts — see Section 05.

INSIDER TIP

Maryland's down payment assistance programs may reduce upfront costs by $5,000–$25,000+. Many clients close with less than $10,000 out of pocket. Results vary based on eligibility, income, and program availability. See Section 05 for details.

SECTION 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 licensed loan officer will compare options with real numbers specific to your credit, income, and down payment.

FHA Loan

Down payment: 3.5% (with 580+ credit score; 10% if below 580)

Best for: Buyers with lower credit scores or smaller down payments

Heads up: Requires mortgage insurance premium (MIP) for the life of most FHA loans

2026 FHA loan limit — Howard County (est.): ~$1,209,750 — verify at hud.gov

Conventional Loan

Down payment: 3% (first-time buyer programs: 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; cancels automatically at 78% LTV

Note: Generally lower long-term cost than FHA for buyers with 5%+ down and 700+ credit

VA Loan (veterans, active military, eligible spouses)

Down payment: 0% for eligible borrowers

Best for: Anyone eligible for VA benefits — among the most favorable loan terms available

Heads up: One-time VA funding fee applies (can be financed); no monthly PMI

MD Bonus: Maryland Mortgage Program offers Maryland Homefront for eligible veterans

USDA Loan (eligible rural/suburban areas)

Down payment: 0% for eligible buyers in qualifying areas

Best for: Buyers in USDA-designated areas — parts of Carroll County may qualify

Heads up: Income limits apply; property must meet USDA location eligibility

Tip: Check usda.gov eligibility map for any specific property address

Loan program details, limits, and eligibility requirements change. HomeReady® is a registered trademark of Fannie Mae. Home Possible® is a registered trademark of Freddie Mac. Verify current guidelines with a licensed Maryland lender. This is not a loan commitment or guarantee of financing.

SECTION 05

Maryland Down Payment Assistance

The Maryland Department of Housing and Community Development (DHCD) administers the Maryland Mortgage Program (MMP). Program details, income limits, and availability are subject to change. Verify current terms at **mmp.maryland.gov** or with a participating lender.

Maryland Mortgage Program (MMP) — 1st Time Advantage

30-year fixed-rate mortgage with competitive interest rates for eligible first-time buyers. Options as of the guide's publication date (verify current availability):

- 1st Time Advantage Direct — Lower interest rate; no DPA included
- 1st Time Advantage 5000 — Up to $5,000 DPA as a 0% deferred loan (subject to eligibility)
- 1st Time Advantage 6000 — Up to $6,000 DPA as a 0% deferred loan (subject to eligibility)
- Flex 4% / 5% — DPA equal to 4% or 5% of first mortgage amount (subject to eligibility)

Maryland SmartBuy — Student Loan Debt Relief

For eligible buyers with student loan debt. As of this guide's publication, eligible buyers may receive up to **$25,000** in student loan payoff assistance when purchasing through MMP. Program details and limits change — verify at **mmp.maryland.gov**. Combined assistance for buyers below 50% of Area Median Income has averaged around $40,000 in recent program cycles (source: Maryland DHCD; verify current figures).

Maryland HomeAbility & Maryland Homefront

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

MMP Eligibility Basics (General Guidelines — Verify Current Requirements)

- Purchasing a primary residence in Maryland
- Using one of 80+ participating lenders (list at mmp.maryland.gov)
- Completing an approved homebuyer education course
- Household income at or below the local limit (varies by county and household size)
- Meeting credit score and purchase price requirements

MMP program terms, assistance amounts, income limits, and eligibility requirements are set by Maryland DHCD and change without notice. Information in this guide reflects data available at publication. Always verify current program details at mmp.maryland.gov or with a participating lender before applying.

SECTION 06

Howard County & Carroll County Programs

Howard County DHCD — Settlement Down Payment Loan Program (SDLP)

Deferred loans for settlement and down payment costs, typically at an interest rate 2 percentage points below the primary mortgage rate (verify current rate at howardcountymd.gov/dhcd). General requirements as of publication:

- Must be purchasing a primary residence in Howard County
- First-time homebuyer status required for HomeStarter, HomeSteader, and DreamMaker loans
- Must contribute at least $1,000 of own funds toward settlement/down payment
- At least one month's PITI (principal, interest, taxes, insurance) in savings at closing
- Pre-purchase homebuyer counseling required
- Loans are deferred — repaid 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 at below-market rates to income-eligible buyers. Qualified first-time buyers may purchase new homes at a discount through lottery selection. Availability and income limits vary by development — verify at howardcountymd.gov.

Carroll County Resources

Carroll County residents are fully eligible for statewide MMP assistance. The Carroll County Association of REALTORS® and Carroll County Habitat for Humanity also maintain homeownership resources. Carroll County's property tax rate is generally lower than Howard County's (verify current rates at carrollcountymd.gov).

Where to Verify Program Details

Resource	Official Website
Maryland DHCD / MMP	mmp.maryland.gov
Howard County DHCD	howardcountymd.gov/dhcd
Carroll County government	carrollcountymd.gov
Howard County Assoc. of REALTORS®	hcarealtors.com
Carroll County Assoc. of REALTORS®	ccrealtors.com
NAR (national data)	nar.realtor
Bright MLS (Maryland)	brightmls.com
HUD-Approved Counseling	hud.gov/counseling
FHA Loan Limits	hud.gov

Resource	Official Website
USDA Eligibility Map	usda.gov
VA Loan Information	va.gov/housing-assistance

SECTION 07

The 10-Step Home Buying Process

General timeline from first conversation to closing. Most transactions close in 60–90 days, but timelines vary by market conditions, financing, and individual circumstances.

01 **Free Consultation**
We talk goals, timeline, budget, and what you want in a home. No commitment required.

02 **Get Pre-Approved**
Connect with a licensed MD lender. Pre-approval typically takes 1–3 business days.

03 **Define Your Search**
Finalize neighborhoods, must-haves vs. preferences, and target price range.

04 **Tour Homes**
Review MLS listings matching your criteria. Most buyers tour 5–15 homes before deciding.

05 **Make an Offer**
A strategic offer based on comparable sales, market conditions, and seller motivation.

06 **Negotiate & Ratify**
Negotiate price, contingencies, closing date, and inclusions. Contract becomes binding.

07 **Inspection & Appraisal**
Home inspection (~$400–$600 est.) and lender-required appraisal. Negotiate repairs if needed.

08 **Loan Processing**
Underwriting typically 30–45 days. Provide requested documentation promptly.

09 **Final Walkthrough**
Confirm home condition matches contract terms, day before or morning of closing.

10 **Closing Day**
Sign documents, transfer funds, record the deed. Keys are yours.

443-410-8740 (Direct) | Broker: 410-465-6900 | jilbhimani@boblucidoteam.com | jilbhimani.com

9251 Baltimore National Pike, Suite D, Ellicott City, MD 21042

SECTION 08

Closing Costs Demystified

Closing costs generally run **2–5%** of the purchase price. For a $400,000 home that's approximately $8,000–$20,000 — *estimates only; actual costs vary by lender, county, loan type, and transaction.*

Cost Item	Est. Typical Range	What It Covers
Loan origination fee	~0.5–1% of loan amt.	Lender's fee for processing the loan
Appraisal	~$400–$700	Lender-required property valuation
Credit report	~$25–$100	Lender pulls your credit history
Title insurance	~$1,000–$2,500	Protects against title defects (one-time)
Title search	~$300–$600	Confirms clean ownership history
Recording fees	~$100–$300	County records the deed and mortgage
MD transfer tax	~0.5% of price	State + county; first-timers may get reduced rate
MD recordation tax	Varies by county	Tax on the mortgage instrument
Prepaid escrow	~2–6 months	Initial property taxes & insurance into escrow
Homeowners insurance	~$800–$2,000/yr est.	First year often paid at or before closing
Survey (if required)	~$300–$600	Property boundary verification

Estimates only. Maryland transfer tax rate for first-time buyers purchasing a principal residence may differ from the standard rate — verify with your settlement attorney. Recordation tax rates vary by county. Request a Loan Estimate from your lender for itemized closing cost figures specific to your transaction.

NEGOTIATION NOTE

In a balanced or buyer-favorable market, it may be possible to negotiate seller concessions toward closing costs. Results vary by market conditions, property, and seller motivation. There is no guarantee of seller concessions.

SECTION 09

7 Mistakes That Cost First-Time Buyers

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1. Touring homes before pre-approval

You risk falling in love with a home outside your budget, or losing it to a pre-approved buyer. Get pre-approved first.

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2. Skipping the home inspection

Even on new construction. A professional inspection (typically $400–$600) can uncover issues that affect your decision or negotiation. Inspections do not guarantee the property is defect-free.

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3. Maxing out your pre-approval amount

Pre-approval is a ceiling, not a target. Factor in maintenance reserves, utilities, HOA fees, and personal financial goals when setting your budget.

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4. Making large financial changes during escrow

Avoid new credit applications, large purchases, or employment changes from contract to closing. These can affect your loan approval or terms.

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5. Ignoring down payment assistance programs

Maryland offers several DPA programs. Eligibility varies by income, location, and loan type. Ask your lender and agent about programs you may qualify for — don't assume you don't.

!

6. Working with the wrong agent

Interview multiple agents. Look for experience with first-time buyers, market knowledge, responsiveness, and transparency about the process and their compensation.

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7. Underestimating total upfront costs

Many buyers focus only on the down payment and are surprised by closing costs. Budget for both from the start — see Section 08 for a full cost breakdown.

SECTION 10

Your Next Steps

You've now covered more of the Maryland first-time buyer process than most buyers ever do. Here's a suggested action sequence — timelines are approximate:

This week	Pull your free credit report at AnnualCreditReport.com. Note your score and any errors to dispute.
Next 7 days	Total up your savings, monthly debts, and stable monthly income.
Within 14 days	Book a free consultation. No pressure, no commitment — just clarity on your specific situation.
Days 14–21	Get pre-approved with a licensed Maryland lender. Pre-approval typically takes 1–3 business days.
Day 21+	Begin touring homes that match your verified budget and criteria.

Ready to Talk?

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

443-410-8740 (Call or Text) | Broker: **410-465-6900**

jilbhimani@boblucidoteam.com | jilbhimani.com

Bob Lucido Team of Keller Williams Lucido Agency

9251 Baltimore National Pike, Suite D, Ellicott City, MD 21042 | Broker: 410-465-6900

Sources & References

All statistical figures, program details, and market data in this guide are drawn from the following sources. Information may have changed since the guide's publication date. Always verify current figures directly with the source.

1. National Association of REALTORS® (NAR)
2025 Profile of Home Buyers and Sellers. Used for first-time buyer market share (21%), median age of first-time buyers, and national home buying trend data. Available at nar.realtor.

2. Maryland Department of Housing and Community Development (DHCD)
Maryland Mortgage Program (MMP) program descriptions, eligibility guidelines, and SmartBuy program details. Available at mmp.maryland.gov. Program terms change without notice.

3. Howard County Department of Housing & Community Development
Settlement Down Payment Loan Program (SDLP) and MIHU program details. Available at howardcountymd.gov/dhcd.

4. Carroll County Government
Housing and community development resources. Available at carrollcountymd.gov.

5. Howard County Association of REALTORS®
Local market context for Carroll County and surrounding areas. Available at hcarealtors.com.

6. Carroll County Association of REALTORS®
Local market context for Carroll County. Available at ccrealtors.com.

7. Bright MLS
Local Maryland MLS data for median price estimates in Sykesville (~$516K), Columbia (~$474K), and Ellicott City (~$686K). Figures are approximate averages and vary by property type, time period, and market conditions. Available at brightmls.com.

8. U.S. Department of Housing and Urban Development (HUD)
FHA loan limits, HUD-approved housing counseling resources, and fair housing information. Available at hud.gov.

9. U.S. Department of Veterans Affairs (VA)
VA home loan benefit information. Available at va.gov/housing-assistance.

10. U.S. Department of Agriculture (USDA)
USDA rural development loan eligibility maps and program details. Available at usda.gov.

11. Fannie Mae / Freddie Mac
HomeReady® (Fannie Mae) and Home Possible® (Freddie Mac) first-time buyer conventional loan program guidelines. Verify current guidelines with a licensed lender.

12. AnnualCreditReport.com
Free official source for consumer credit reports (authorized by federal law under FCRA).

13. GreatSchools.org
Referenced as a publicly available school research resource. GreatSchools ratings are one data point and should be considered alongside other factors.

14. Maryland State Department of Education (MSDE)
Maryland's State Report Card for school performance data. Available at reportcard.msde.maryland.gov.

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Program Information

Maryland Mortgage Program (MMP), SmartBuy, HomeAbility, Maryland Homefront, Howard County SDLP, Howard County MIHU, and all other government or government-affiliated programs described in this guide are administered by their respective agencies. Program terms, eligibility requirements, assistance amounts, income limits, and availability are set by those agencies and are subject to change, suspension, or discontinuation at any time without notice. Contact the administering agency or a participating lender directly to verify current program details.

No Loan Commitment or Guarantee of Financing

Nothing in this guide constitutes a loan commitment, pre-approval, pre-qualification, or guarantee of financing. All mortgage financing is subject to lender underwriting, credit approval, property appraisal, and current market conditions. Eligibility for any specific loan product or assistance program depends on the individual borrower’s financial profile and the lender’s current guidelines.

Past Performance and Market Conditions

Historical market data, price trends, appreciation rates, and comparable sales referenced in this guide reflect past conditions and are not predictive of future values, market performance, or investment returns. Real estate values can decrease as well as increase. Buying a home involves significant financial risk.

School and Neighborhood Information

References to school districts, school performance ratings, neighborhood characteristics, and commute times are general references to publicly available information at the time of publication. School boundaries, ratings, and performance change. Buyers should independently verify current school assignment and quality with the relevant school district.

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