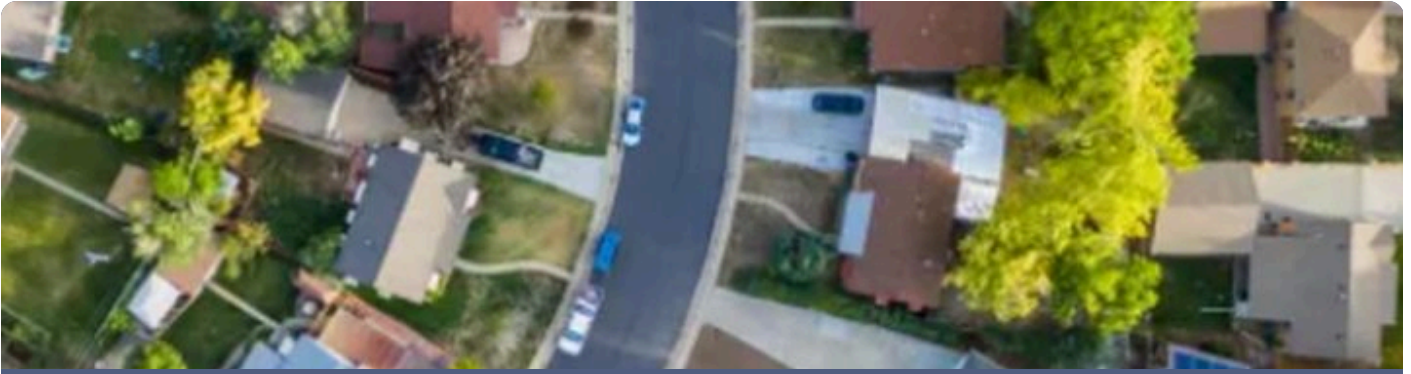




A GUIDE FROM DANNY BAISLEY, SELLING TEXAS TEAM · LAST UPDATED OCTOBER 2026

The 9 Steps of Buying a Home in Texas

Every step of buying a home in Texas, in order: the forms, the money and when it's due, and the two deadlines that can cost buyers real money when they're missed.

▶ **Watch:** The four payments you make once your offer is accepted. [youtube.com/watch?v=NKf5F1zFXuE](https://www.youtube.com/watch?v=NKf5F1zFXuE)

The short answer

From an accepted offer to the keys usually takes about a month. Here's the whole trip in nine steps:

1. Get pre-approved, and compare lenders.
2. Read the buyer agreement before an agent shows you homes.
3. Work out the full monthly payment: loan, mortgage insurance, taxes, homeowners insurance, HOA dues and any district tax.
4. Search, and look at houses the way an inspector does.
5. Write the offer, and get the money to the title company within 3 days.
6. Inspect and negotiate during the option period, and watch the 5:00 p.m. deadline.
7. Get through the appraisal, the title search and the survey.
8. In the last week, change nothing about your finances and verify every wire by phone.
9. Close, get the keys, then file your homestead exemption.

Jump to the checklist: from offer to keys →

Who this guide fits

1. **It fits** anyone buying a home to live in, whether it's your first home or your first home in Texas, and anyone curious how buying works here.
2. **Paying cash?** Skip the loan parts of steps 1, 3, 5, 7 and 8. Your step 1 is proof that the money is there.
3. **Buying a brand-new home from a builder?** Most of the steps apply, but builders usually use their own contract, so the deadlines and walk-away rights in steps 5 and 6 can be different or missing. Read the builder's contract before you sign, and see [The Smart Buyer's Guide to New Construction](#).
4. **Renting, or buying commercial property?** The written-agreement rule in step 2 doesn't apply to you.

1 Get pre-approved, and know what the letter doesn't promise

A pre-approval letter feels like a yes. It's really a "yes, if".

A lender looks at your income, savings, debts and credit, then puts in writing roughly how much it expects to lend you. Sellers want to see that letter with an offer. But the federal Consumer Financial Protection Bureau is plain about it: pre-qualification and pre-approval letters are not guaranteed loan offers, and lenders use the two words differently. Final approval comes later, after the appraisal, a check of your paperwork and a last look at your debts.

Shopping around won't wreck your credit, if you keep it tight. Do your rate shopping within about two weeks and the lenders' credit checks count as one. The CFPB says 45 days, but some credit scores lenders use only allow 14. And shopping can pay: when rates were high in late 2022, Freddie Mac found a second quote could have saved as much as \$600 a year. How much you'd save depends on how far apart lenders' rates are.

You may need far less than 20% down. Some conventional loans start at 3% down and FHA loans at 3.5%. VA loans need no down payment for eligible borrowers, as long as the price isn't above the appraised value. The Texas State Affordable Housing Corporation, a nonprofit set up by the Legislature, offers down-payment help to some buyers through participating lenders. Minimum credit scores vary by loan and by lender, so ask rather than assume.

What to do

1. Get pre-approved, and ask: "Did you check my income and credit, or is this based on what I told you?" Ask how long the letter is good for; it varies by lender.
2. Once you have a house in mind, ask three or more lenders for a Loan Estimate, the standard form every lender uses, on the same loan in the same week. Each has to send it within three business days of a full application, which includes the property address.
3. Compare them line by line: the rate, the points (each point costs 1% of the loan) and the lender's fees.
4. Paying cash? A recent bank or brokerage statement showing the funds does the same job.

Choosing a lender on price alone has its own risks.

[Read Avoid These 9 Home Buying Disasters →](#)

▶ **Watch:** Four ways buyers can get in with \$5,000 or less: first-time buyer programs, VA loans, USDA loans and help from the seller.
[youtube.com/shorts/feYvxccIPN4](https://www.youtube.com/shorts/feYvxccIPN4)

2 Read the buyer agreement before an agent shows you a home

In Texas, the paperwork comes before the tour.

No law says you need an agent to buy a home in Texas. But an agent working with you as a buyer can't show you a home, or make an offer for you, until you've signed a written agreement. That changes how the first conversation with any agent goes.

The agreement has to spell out:

1. the services the agent will provide;
2. when the agreement ends;
3. whether it's exclusive;
4. whether the agent represents you; and
5. how much the agent will be paid, and how that's figured.

It also has to say, in wording you can't miss, that broker compensation "is not set by law and is fully negotiable". The time to negotiate is before you sign.

Two kinds of agreement, two very different services. Under a representation agreement, the agent works for you: typically advice on price and condition, negotiating, and guiding you through the contract. A showing-only agreement (the law calls it non-representation) can't be exclusive and lasts 14 days at most. Under it, the agent can open the door but can't give you opinions or advice.

Representation agreement	Showing-only agreement
• The agent works for you • Typically: advice on price and condition, negotiating for you, and guiding you through the contract	• The agent can open the door • No opinions or advice • Can't be exclusive • Lasts 14 days at most

Either kind is signed before an agent shows you a home.

Open houses have their own rule. If the agent hosting an open house works for the seller's agent's company, you don't need an agreement to walk through, but that agent represents the seller. If the host is from another company, you'll be asked to sign an agreement before you go in, even if you already have an agent. Say no, and you can't go in.

How your agent gets paid. Your agreement says what you've agreed to pay. In your offer, you can ask the seller to pay some or all of it; the state contract has a place for that. Whatever the seller doesn't cover is between you and your agent, under your agreement.

If your agent's company is also selling the house. The broker can act for both sides only as an "intermediary", and only if buyer and seller both agree in writing. The broker then can't favor either side, and with your written consent may appoint a different agent to each of you.

Early on, the agent will also give you a state form called Information About Brokerage Services. It explains who works for whom, and agents have to provide it at the first real conversation about a specific property.

Questions to ask before you sign

1. How long does this last, and how do I end it early?
2. Is it exclusive? For which areas or kinds of homes?
3. How much will you be paid, and what happens if the seller won't contribute?
4. If I find a home on my own, or buy a new build straight from a builder, what do I owe?

3 Know your real monthly number before you fall for a house

The price on a listing is where the math starts, not where it ends.

Your real monthly payment has up to six parts: the loan (principal and interest); mortgage insurance, if you put down less than 20% (FHA loans always have it, VA loans don't); property taxes; homeowners insurance; HOA dues; and any special district tax. Lenders usually collect the taxes and insurance each month through an escrow account and pay those bills for you. When anyone quotes you a payment, ask: "Does that include taxes and insurance?"

What goes into the monthly payment

- 1 **The loan:** principal and interest
- 2 **Mortgage insurance**, if you put down less than 20% (FHA loans always have it, VA loans don't)
- 3 **Property taxes:** the county, the city and the school district each set a rate usually through escrow
- 4 **Homeowners insurance** usually through escrow
- 5 **HOA dues**, if the home has an HOA
- 6 **A special district tax** (MUD or PID), if the home is in one

Six possible parts. Ask which ones a payment quote includes.

Texas taxes are local, and they add up. Texas has no state property tax. The county, the city, the school district and any special districts each set their own rate, and your bill is the total. That's why two homes at the same price can carry very different tax bills.

The tax figure on a listing is the seller's bill, not yours. It carries the seller's homestead exemption, and often a yearly limit on how fast the seller's taxable value can rise. Both usually stay on the bill for the year you buy, then drop off the next January 1. Your own exemption starts then (sooner only if the seller didn't have one), and your own 10% limit starts a year after that. A home finished after January 1 can also show a land-only or partly built value on that year's bill. So budget on the full tax rate and roughly the price you're paying, then take off the exemptions you'll qualify for.

Special districts are easy to miss. Some neighborhoods, often newer ones outside city limits, sit in a municipal utility district (MUD) or a public improvement district (PID) that adds its own tax or assessment. The seller has to give you a written notice before you sign the contract. Ask for it before you write the offer, so the rate is in your math.

Insurance has risen sharply in Texas, the Texas Department of Insurance reports. Get a quote on the actual house, not an average. Most homeowners policies don't cover flooding, and flood insurance through the national program usually takes 30 days to start, unless you buy it as part of getting your loan.

Why payments jump after the first year. Texas property taxes are billed in the fall and due by January 31. At closing, the seller credits you their share of the year's taxes up to closing day. Your first bill usually still looks like the seller's. The next one won't. If your escrow account was set up on the lower figure, it comes up short and your payment rises to catch up. Lenders can also hold a cushion of up to two months of escrow payments.

Plan for the cash to close, too. On top of the down payment, buyers pay closing costs: lender and title company fees, prepaid interest, and the first deposits into the escrow account. Your Loan Estimate lists them. One cost you won't see: Texas has no transfer tax on home sales.

Before you make an offer

1. Look up the rate of every taxing unit for the address. The county appraisal district or tax office website shows them.
2. Ask for the MUD or PID notice, if there is one, and the HOA dues.
3. Get a homeowners insurance quote, and a flood quote.
4. Run the payment on the full numbers. If it still works, you've found your price range.

4 Look at houses the way an inspector does

Fresh paint and staged pillows are made to be noticed. The things that cost real money usually aren't.

Set up a saved search so new listings come to you. And keep an eye on homes that are under contract but still in the buyer's option period (step 6). That buyer can still walk away for any reason, so a home you love may come back. Listing sites label this stage in different ways. Ask whether the seller will take a back-up offer, one that moves up if the first deal falls through.

Ask for the seller's disclosure before you write an offer. Texas requires most sellers of a lived-in home to give you a Seller's Disclosure Notice: known defects, past repairs, flooding, insurance claims and more. Read it before you decide what to offer. Brand-new homes that no one has lived in are exempt.

Tour in the order an inspector reports. Texas home inspectors report on a state form that starts with the structure, then the electrical, heating and cooling, plumbing and appliances. You can use the same order on a showing:

1. Outside: does the ground slope away from the house? Where do the gutters send the water? Look at the brick or siding for cracks, and at the roof line.
2. Inside: doors that stick or won't latch, floors that slope, and cracks in walls or ceilings. Those are the signs Texas inspectors report when they judge a foundation.
3. Ceilings and under sinks: water stains, soft spots, musty smells.
4. Equipment: the dates on the labels of the air conditioner and the water heater, and the electrical panel.

In Texas, the foundation gets a written opinion. Clay soils that swell when wet and shrink when dry are "a very common cause of foundation problems", a state technical bulletin says. Texas inspectors have to give a written opinion on how the foundation is performing, and it's the first item on the state's report form.

Check flood risk while you can still walk away. Look the address up on FEMA's flood map and read the flood questions on the seller's disclosure. FEMA says about 40% of flood insurance claims come from outside the high-risk zones, so a low-risk label isn't a promise.

Buying a brand-new home?

[Inspecting new construction: Avoid These 9 Home Buying Disasters →](#)

[Buying from a builder: The Smart Buyer's Guide to New Construction →](#)

▶ **Watch:** Foundation red flags a former inspector looks for: doors that move on their own, cracks at door and window corners, cracked tile. [youtube.com/shorts/q1PS3lqMFIg](https://www.youtube.com/shorts/q1PS3lqMFIg)

5 Write the offer, then beat the 3-day money deadline

In Texas, your offer is the contract. When the seller signs it, it's binding.

For most homes someone has lived in, agents use the state's standard form, the One to Four Family Residential Contract (Resale). Condos have their own version, and builders often use their own contracts. Every blank in the form is a decision: the price, the money you put down, the deadlines, and who pays for what.

The price. It comes from recent sales of similar homes nearby, adjusted for condition. That's where what you noticed in step 4 earns its keep.

Two payments, two different jobs

1. **Earnest money** shows the seller you're serious. The title company holds it, and at closing it goes toward your down payment and costs. If you end the contract under a right the contract gives you, it comes back to you. The title company releases it when both sides sign a release; if one side won't, the contract has a written-demand process to settle it. If you back out without a right to, the seller can keep it.
2. **The option fee** pays for your option period (step 6). It goes to the title company too. It isn't refunded if you walk away; if you close, it's credited toward the price, not your closing costs.

Both are due at the title company within 3 days after the contract's effective date, usually the day the last person signs. If that third day lands on a weekend or a legal holiday, it moves to the next working day. Miss the deadline with the option fee and you lose your option period, unless the seller agrees to take the fee late, and even then the period still ends on the original date. Neither amount is set by law: you and the seller agree on them.

What's typical around Austin. Earnest money is usually about 1% of the price, and buyers competing with other offers often put up 2% to 3%. The option fee is usually about 10% of the earnest money: \$500 on a \$500,000 home with \$5,000 in earnest money (Danny's experience and local brokerages' published figures, October 2026).

Your loan protection exists only if you write it in. If you're financing, the state's financing addendum can make the deal depend on your loan being approved, if your offer chooses that option and sets a number of days. To use it, you give notice within those days, with a letter from your lender saying why. If the lender won't accept the house itself (a low appraisal, for example), you can end the contract up to 3 days before closing, again with the lender's letter, unless you've signed an addendum giving that right up. FHA and VA loans come with their own federal appraisal protection.

Every other blank is a decision too. The closing date. Whether you'll use the seller's existing survey. Who pays for the owner's title policy, and whether its boundary exception gets changed, and at whose cost (step 7). Whether the seller will pay toward your closing costs or your agent's pay. And the notices that come with some homes: HOA documents, special district notices, and lead-based paint for homes built before 1978.

Before you sign the offer

1. Have the earnest money and option fee ready to send the day the offer is accepted.
2. Put the 3-day deadline in your calendar, and confirm with the title company when the money arrives.
3. Go through every deadline in the contract with your agent. Each one is a date you could lose money on.

▶ **Watch:** Why the best offer isn't always the highest price, and how Danny reads the homes for sale, pending and sold nearby before writing one. [youtube.com/shorts/UIXa_BnpIo4](https://www.youtube.com/shorts/UIXa_BnpIo4)

6 Use the option period: the one time you can walk away for any reason

For a fee you agreed on, the Texas contract gives you a set number of days to change your mind. Use every one of them.

During the option period you can end the contract for any reason, or none, by giving notice. Your earnest money comes back; the option fee doesn't. The right is yours alone: the seller can't use it to back out. How many days? Whatever you and the seller wrote in. No law sets the number.

The clock doesn't bend. The days are calendar days. Your notice is due by 5:00 p.m., local time, on the last day. The deadline doesn't move for a weekend or a holiday, and negotiating repairs doesn't pause it. Need more days? You'd be buying them: a signed amendment and, normally, an extra option fee paid to the seller, all before the deadline. The seller doesn't have to agree.

The contract clock

- **Day 0: the effective date.** Usually the day the last person signs.
- **Within 3 days:** the earnest money and the option fee reach the title company. If the third day is a weekend or a legal holiday, it moves to the next working day.
- **Last day of the option period, 5:00 p.m.:** your notice to end the contract for any reason. A weekend, a holiday or repair talks don't move it.
- **Closing:** usually about a month after the offer is accepted.

Put every one of these dates in your calendar the day your offer is accepted.

What an inspection is, and isn't. Texas inspectors are licensed by the state and report on a state form. That form calls an inspection "a visual survey": the inspector looks at what is "present, visible, and accessible" that day. It isn't technically exhaustive, it isn't a building-code check, and an item marked Deficient doesn't oblige anyone to fix it.

So book the inspection the day your offer is accepted, and read the report as soon as it arrives. If something needs a closer look, a structural engineer, a plumber with a sewer camera, a roofer or an air-conditioning technician has to fit inside your option days too.

What it costs. Expect to pay about \$400 to \$460 for a typical Austin-area house, more for a large, older or pier-and-beam home, plus about \$100 to \$135 for a termite report (local inspectors' published prices and Danny's experience, October 2026).

Then decide what to ask for. You can ask the seller to make repairs, lower the price, or give you a credit at closing, all in a written amendment signed before the deadline. Your lender may limit how much the seller can credit you. If the seller agrees to repairs, the contract says they have to be finished before closing, by licensed or trade professionals, and the seller has to give you the paperwork showing what was done and paid. If you can't agree, you can still walk away, as long as your notice beats the deadline.

After the deadline, the easy exit is gone. You can still end the contract only under a specific right in it, such as your loan, the appraisal or a title problem. Walk away without one and the seller can keep your earnest money.

7 Before closing, the house has to pass three checks: value, ownership and boundaries

While you wait for closing, three checks run in the background: what the house is worth to your lender, whether the seller can hand you clean ownership, and where the property lines really are.

VALUE

The appraisal

Ordered by your lender.

OWNERSHIP

The title commitment

Due within 20 days of the title company getting the contract.

BOUNDARIES

The survey

The seller's existing survey, or a new one.

Go through each one with your agent as it arrives.

If the appraisal comes in low, you have four choices. Your lender orders the appraisal. If it comes in below your price, you can ask the seller to come down, pay the difference in cash, meet in the middle, or walk away with your earnest money if your contract kept that right (step 5). Plan for it: in the hot market of 2021, more than one in seven purchase appraisals on loans sold to Fannie Mae and Freddie Mac came in below the contract price, the Federal Housing Finance Agency found.

What the appraisal costs. The fee is on your Loan Estimate. Around Austin, published fees run about \$620 to \$875 for a typical house with a conventional loan, \$935 to \$975 with FHA, and \$775 to \$800 with VA (October 2026). Large or unusual homes cost more.

The title commitment tells you what has to be cleared. The title company searches the public records and sends a title commitment, due within 20 days of getting the contract. It lists what has to be fixed before closing and what the policy won't cover. Go through it with your agent: the contract gives you a set number of days to object to problems, and if you don't object in time, you've accepted what's listed.

The title premium is set by the state. The owner's title policy protects you against covered problems with ownership that began before you bought. In Texas the state sets the premium, so it's the same at every title company. The title company's other fees aren't set by the state, and they do vary. Who pays the premium is negotiable, and the title company is named in your contract.

Boundary problems aren't covered unless your contract says so. The contract can let the seller give you their existing survey with a signed statement that nothing has changed, or call for a new one. It also says whether the title policy's standard boundary exception will be changed, and who pays. Without that change, problems like a fence on the wrong side of the line, or a neighbor's driveway over it, aren't covered.

8 In the last week, protect the loan and the money

The last week is quiet for you and busy for everyone else. Your job is to change nothing, and to trust no email about money.

Read the Closing Disclosure the day it arrives. Your lender has to get it to you at least three business days before closing. Lay it next to your Loan Estimate and compare the rate, the fees and the cash to close. Only three changes restart that three-day wait:

1. the annual percentage rate (the loan's yearly cost, fees included) rising by more than 1/8 of a percentage point, or 1/4 on an adjustable-rate loan;
2. a switch to a different kind of loan, such as fixed to adjustable; or
3. a new prepayment penalty.

Most other corrections don't restart it.

Keep the loan exactly as it was approved. Lenders can check your debts again right up to closing, and a new debt can mean working out again whether you still qualify. Until you have the keys: no new credit cards, no car loan, no furniture on credit, no job change, and no large deposits you can't document. If something has to change, call your lender first.

Verify every wire by phone. Criminals send emails that look like they come from your title company, with "updated" wiring instructions. The FBI's yearly crime report includes cases just like it: a buyer gets an email from the "title company" with wiring instructions, and the money goes to a criminal.

Call. Don't click. Before you send money, call the title company at a number you looked up yourself, never one from an email or a text. If a wire ever goes wrong, call your bank at once and report it at ic3.gov. Speed matters.

Walk through before you sign. The contract gives you access to the house at reasonable times, so use it a day or two before closing. Check that agreed repairs are done, and ask for the repair paperwork the seller has to give you. Run the air conditioning, the heat, the water and the appliances. Make sure nothing new is broken and everything that's supposed to stay is still there.

Then two small jobs: send proof of homeowners insurance to your lender, and put the utilities in your name from closing day.

▶ **Watch:** A vacant house flooded just before closing. The walk-through caught it, and the sellers and their insurance paid for new floors, baseboards and paint. [youtube.com/shorts/8D3PED0To2Q](https://www.youtube.com/shorts/8D3PED0To2Q)

9 Close, get the keys, then file your homestead exemption

Signing isn't the finish line. Funding is.

At closing you sign at the title company, the lender sends the money, and the sale is complete. Under the standard contract, the keys are yours once the sale has closed and funded. The exception is a written temporary lease, for a seller who needs a few weeks after closing or a buyer who moves in early. The state's lease forms cover stays of up to 90 days. Before anyone moves in early or stays late, call your insurance agent; coverage can change.

Bring your ID, and send the money the way the title company asks. The title company can't pay anyone until your money arrives as "good funds". Buyers usually wire it or bring a cashier's check; a personal check only works under \$1,500, or once it has fully cleared. The seller also has to hand over the codes, passwords and apps for any smart locks, cameras or thermostats, and remove their own access.

Then file your homestead exemption. It takes \$140,000 off your home's value for school taxes, with more off for owners 65 or older or disabled. The Travis Central Appraisal District says it saved the average homeowner there \$3,663 in 2025. You file with your county appraisal district, and it costs nothing.

1. File once you own the home and live in it. The address on your Texas driver's license or ID card has to match the home.
2. File by April 30 to be safe. Miss it and you can still apply late, up to two years after that year's tax bill became overdue (February 1), and get a refund of the difference.
3. You get it for the rest of the year you buy only if the previous owner didn't have it that year: a brand-new home, for example, or one owned by an investor. Otherwise yours starts the next January 1.
4. Letters offering to file a "homestead designation" or your exemption for a fee are sales pitches, not official notices. Filing the exemption yourself costs nothing.
5. Once it's granted, you don't have to file again each year, unless the appraisal district asks.

Read your first appraisal notice. The 10% yearly limit on increases in your home's taxable value starts on January 1 after your first year with the exemption. If your first notice looks wrong, you can protest it, generally by May 15, or within 30 days of the date the notice was mailed if that's later.

▶ **Watch:** Keep your payment down after you move in: the homestead exemption, and protesting your appraisal every year. [youtube.com/shorts/ROtbZbcvTxw](https://www.youtube.com/shorts/ROtbZbcvTxw)

The checklist: from offer to keys

Before you make an offer

- ☐ Read the seller's disclosure, and any MUD or PID notice.
- ☐ Price the full monthly payment, with real tax rates and an insurance quote.

The day your offer is accepted

- ☐ Send the earnest money and option fee to the title company (due within 3 days).
- ☐ Book the inspection, and any specialists.
- ☐ Tell your lender, and send what they ask for.

During the option period

- ☐ Read the inspection report as soon as it arrives, and check it against the seller's disclosure.
- ☐ Read the HOA documents the day they arrive; the HOA addendum usually gives you only 3 days after you get them to back out.
- ☐ Agree on repairs or credits in a signed amendment, or end the contract by 5:00 p.m. on the last day.

Before closing

- ☐ Watch for the appraisal and the title commitment, and go through both with your agent.
- ☐ Keep your finances exactly as they are.
- ☐ Read the Closing Disclosure the day it arrives.
- ☐ Before sending any money, call the title company at a number you found yourself.
- ☐ Walk through the house, and collect the repair paperwork.

Closing day

- ☐ Photo ID, and funds sent the way the title company asked.
- ☐ Keys once the sale has funded; smart-device codes from the seller.

After you move in

- ☐ File your homestead exemption (by April 30 to be safe).
- ☐ Keep your closing papers and title policy.
- ☐ Read your first appraisal notice.

Who wrote this

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The latest version of this guide, with Danny's videos: sellingtexasteam.com/blog/the-9-steps-of-buying-a-home-in-texas/



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