HOWES REALTY GROUP

FAMILY • TRUST • HOME

The Home Buyer's Guide

Everything you need to know, from your first conversation with us all the way to the day you get your keys.



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WELCOME

From Our Family to Yours

Thank you for trusting us with one of the biggest decisions you'll ever make. Buying a home is exciting, and it can also feel overwhelming. That's exactly why we put this guide together.

Howes Realty Group is a family-owned team. We were inspired by the values and example of our grandfather, Daniel Howes, and we treat every client the way we'd want our own family treated: honestly, patiently, and with a lot of care.

Keep this guide handy. It walks through every step of buying a home in Texas, explains the terms you'll hear along the way, and shows you what to expect next. And whenever you have a question, big or small, just ask. That's what we're here for.

Lindsey, Tiffany & Caitlyn



Lindsey Strenk
Real Estate Agent

Tiffany Romero
Real Estate Agent

Caitlyn Strenk
Real Estate Agent

How Working With Us Works

Texas law requires a written buyer agreement before we show you homes. It spells out what we'll do for you and how we're paid, so everything is clear from day one. We don't get paid unless you close on a home, and our fee is negotiated with the seller. We'll walk you through exactly how it works and put everything in writing before we start, so there are never any surprises.



OUR HONORARY TEAM MEMBER

Meet Nana, Our Favorite Showing Buddy

Nana is the heart of our family, and she just might show up at your showing. She loves walking through homes, cheering on our buyers, and pointing out the little things that make a house feel like home. If she's there on your tour, expect a warm smile and an honest opinion!

Pictured: Nana with our grandpa, Daniel Howes

YOUR ROADMAP

The Home Buying Journey at a Glance

Every purchase is a little different, but almost every one follows these ten steps. We'll be by your side for each of them.

01 Let's Talk

Share your goals, timeline, and must-haves, and sign a written buyer agreement.

02 Get Pre-Approved

A lender reviews your finances and tells you how much you can borrow.

03 Plan Your Budget

Know your comfortable monthly payment and the costs to plan for.

04 Find Your Home

We search, schedule showings, and help you compare homes and neighborhoods.

05 Make an Offer

We review the numbers, write a strong offer, and negotiate on your behalf.

06 Under Contract

Deliver earnest money and the option fee within 3 days, and your option period begins.

07 Inspections

A professional inspector checks the home. We help you decide what to ask for.

08 Appraisal & Approval

The lender confirms the home's value and finalizes your loan.

09 Final Walkthrough

One last look to make sure everything is as agreed.

10 Closing Day

Sign at the title company. Once the loan funds, the keys are yours!

How long does it take? The search can take days or months. Once your offer is accepted, closing often takes about 30 to 45 days.

GETTING READY

Before You Start Shopping

1 Let's Talk

We'll sit down (or hop on a call) to learn what matters most to you: location, size, schools, commute, and timeline. Then we'll sign your written buyer agreement so we can start showing you homes.

2 Get Pre-Approved

A pre-approval letter shows sellers you're a serious buyer and tells you your price range. We're happy to connect you with trusted lenders. Here's what they'll usually ask for:

- ✓ Photo ID
- ✓ Pay stubs from the last 30 days
- ✓ W-2s or tax returns (usually 2 years)
- ✓ Bank statements (usually 2 months)
- ✓ Info on any debts or monthly payments
- ✓ Gift letter, if family is helping
- ✓ For VA loans: your DD-214 or Certificate of Eligibility
- ✓ Self-employed: profit and loss statements

Questions to Ask Your Lender

- ✓ Which loan types do I qualify for?
- ✓ What's my estimated monthly payment, including taxes and insurance?
- ✓ How much cash will I need at closing?
- ✓ Will I need mortgage insurance, and for how long?
- ✓ Am I eligible for any down payment assistance programs?
- ✓ How long is my pre-approval good for?

Your Wish List

Jot these down and bring them to our first meeting.

Must-haves

Nice-to-haves

Areas & schools

KNOW YOUR NUMBERS

What Buying a Home Costs

3

Plan Your Budget

Here are the typical ranges we see. Once you own the home, also budget for property taxes, homeowners insurance, HOA dues, and upkeep.

These are estimates only. The amounts on this page are general ranges based on what we commonly see in our area. They are not quotes or guarantees. Your actual costs will depend on the home, your contract, your lender, and the service providers you choose. Your lender's Loan Estimate and Closing Disclosure will show your actual numbers.

Down Payment

Paid at closing. The amount depends on your loan type, and some loans require very little or nothing down.

Earnest Money

Est. 1% of price

A good-faith deposit sent to the title company after your offer is accepted (about $3,000 on a $300,000 home). It's credited toward your costs at closing.

Option Fee

Est. $150–$350

Buys your option period, when you can inspect and back out for any reason. It usually rises with the home's price and is typically credited at closing.

Inspection

Est. $375–$475

Paid directly to your inspector, usually on the day of the inspection.

Appraisal

Est. $650–$850

Ordered by your lender to confirm the home's value. It's usually paid up front, once your option period ends.

Closing Costs

Est. 4% of price

On top of your down payment (about $12,000 on a $300,000 home). Covers lender and title fees plus prepaid taxes and insurance.

Our tip: ask the seller to help. We typically recommend asking the seller to pay some or all of your closing costs, often called seller concessions. It's negotiated in your offer and can mean bringing much less cash to closing. Your loan type limits how much the seller can contribute.

Estimated Example: A $300,000 Home

Earnest money (about 1%)	**≈ $3,000**	Option fee	**$150–$350**
Inspection	**$375–$475**	Appraisal	**$650–$850**
Closing costs (about 4%)	**≈ $12,000**	Down payment (at 3.5%)	**≈ $10,500**

For illustration only. These are estimates, not a quote or guarantee of your costs. Earnest money and the option fee are typically credited at closing, and the seller may agree to cover some closing costs.

EXPLORE LOAN TYPES

Finding the Loan That Fits You

There's more than one way to finance a home. Here are the four most common loan types. A lender will help you choose the right one for your situation.

Conventional

AS LITTLE AS 3.5% DOWN

- ✓ The most common type of mortgage, not backed by a government agency.
- ✓ Twenty percent down is not required. Qualified buyers can put as little as 3.5% down, and many put down 5%.
- ✓ Less than 20% down usually means private mortgage insurance (PMI), which can be removed once you build enough equity.
- ✓ Lenders generally look for a credit score of at least 620.

FHA

AS LITTLE AS 3.5% DOWN

- ✓ Insured by the Federal Housing Administration.
- ✓ Buyers with a credit score of 580 or higher can put as little as 3.5% down.
- ✓ More flexible credit requirements than a conventional loan.
- ✓ Includes mortgage insurance, which stays for the life of the loan for most buyers who put down less than 10%.

VA

$0 DOWN FOR ELIGIBLE BUYERS

- ✓ Backed by the U.S. Department of Veterans Affairs for eligible veterans, active-duty service members, and some surviving spouses.
- ✓ No down payment and no monthly mortgage insurance.
- ✓ Most buyers pay a one-time VA funding fee, though some veterans are exempt.

USDA

$0 DOWN FOR ELIGIBLE BUYERS

- ✓ Backed by the U.S. Department of Agriculture for homes in eligible rural and some suburban areas.
- ✓ Household income limits apply.
- ✓ Instead of PMI, there's an upfront fee and a smaller annual fee.

Serving Those Who Served

We're proud to help veterans and military families. We'll guide you through the real estate side of a VA purchase and connect you with lenders experienced in VA loans.

Loan programs, requirements, and rates change often and vary by lender. Howes Realty Group is not a lender. Please talk with a qualified lender about your situation.

From Showings to Under Contract

4

Find Your Home

We'll set up a search for homes that fit your needs, schedule showings, and give you honest advice on each one, from the layout to the neighborhood.

> **Tip:** Bring your must-have list to every showing, and take photos so homes don't blur together.

5

Make an Offer

When you find the one, we'll look at recent sales nearby, talk through price and terms, and write your offer on the standard Texas contract. Then we'll negotiate on your behalf until we reach an agreement you feel good about.

6

Under Contract

Once everyone signs, your contract sets the deadlines. Within 3 days after the contract is executed, you'll deliver your **earnest money** and **option fee** to the title company. Your option period begins, the window when you can inspect the home and still back out for any reason. See the next page for a day-by-day timeline.

> **Watch your deadlines.** Texas contracts are strict about dates. We'll keep a timeline for you and remind you before each one.

7

Inspections

A licensed inspector will check the home's structure, roof, plumbing, electrical, heating and air, and more. If something comes up, we'll help you decide whether to ask for repairs, negotiate the price, or walk away, all during your option period.

8

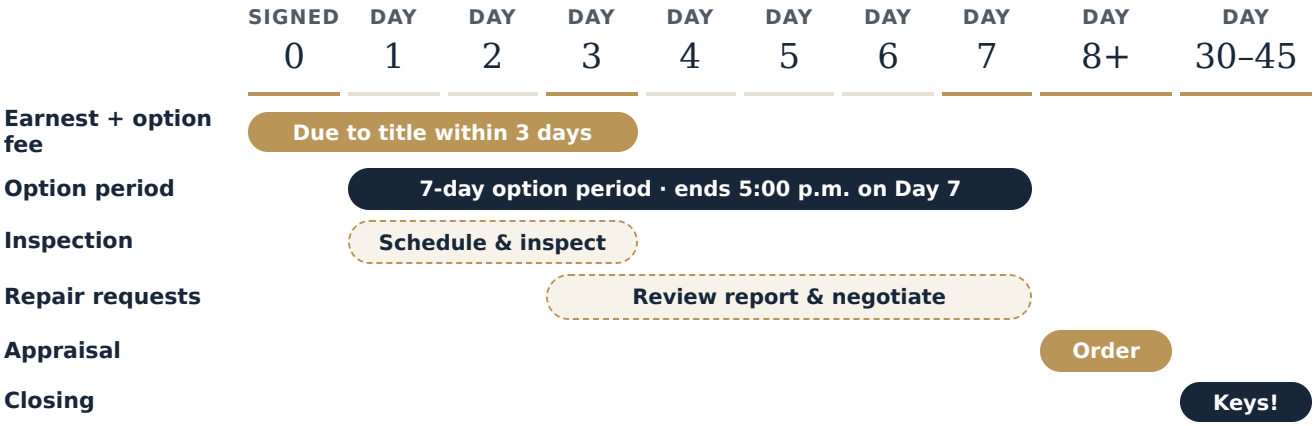
Appraisal, Title & Loan Approval

Once your option period ends, your lender orders an appraisal to confirm the home's value. The title company checks that the home can be transferred cleanly and prepares your title insurance. Meanwhile, your lender works toward final approval of your loan.

UNDER CONTRACT

Your Contract Timeline, Day by Day

Once everyone signs (the contract is executed), the clock starts. Here's how it works with a 7-day option period.



Day 0 is the effective date, when the fully signed contract is delivered; Day 1 is the next calendar day. A 3-day money deadline landing on a weekend or legal holiday moves to the next business day. Option period length is negotiated in your offer; 7 days is shown as an example.

Example: Signed **Mon** → Money due **Thu** → Option ends **next Mon, 5 p.m.** → Appraisal ordered **Tue**

	Earnest Money EST. 1% OF PRICE	Option Fee EST. $150–$350
When it's due	**Within 3 days** of execution	**Within 3 days** of execution
Who it goes to	Title company, held in escrow	Title company, then the seller
Back out in option period	Refunded to you	Seller keeps it
At closing	Credited toward your costs	Typically credited to you

How the 7-Day Option Period Works

1 It starts
Your option fee buys the right to end the contract for any reason.

2 You inspect
We schedule the inspection right away so there's time to review it.

3 We negotiate
We can ask for repairs, a lower price, or seller credits.

4 You decide
Move forward, or terminate by 5:00 p.m. on Day 7 and get your earnest money back.

Why we order the appraisal after Day 7. It's paid up front and isn't refundable, so we wait until your option period ends and you're sure you're moving forward. Then your lender works toward final approval while title prepares for closing.

Don't miss the 3-day deadline. A late option fee means no option period, and late earnest money may let the seller cancel. We'll remind you.

THE FINISH LINE

Closing Day & Beyond

9 Final Walkthrough

Shortly before closing, we'll walk through the home together to make sure it's in the condition you agreed to and that any promised repairs were done.

10 Closing Day

You'll receive your Closing Disclosure at least three business days before closing. It shows your final loan terms and costs. On closing day, you'll sign at the title company. Once your loan funds, the keys are yours!

What to Bring

- ✓ A valid government-issued photo ID
- ✓ Your funds to close, sent the way your title company instructs
- ✓ Proof of homeowners insurance (your lender will request it)
- ✓ Any final documents your lender asked for

Protect Your Money

Wire fraud is a real risk. Before sending any money, call your title company at a phone number you found yourself, not one from an email, to confirm the instructions. We will never email you new wiring instructions.

After You Move In

- ✓ Apply for your homestead exemption with your county appraisal district. It can lower your property taxes.
- ✓ Change or rekey the locks.
- ✓ Set up utilities, mail forwarding, and internet.
- ✓ Keep your closing documents somewhere safe.
- ✓ Find your water shut-off valve and breaker panel.
- ✓ Ask about flood insurance. Many Houston-area homes benefit from it, even outside flood zones.

Welcome Home!

Our relationship doesn't end at closing. Whenever you need a contractor recommendation, have a market question, or are ready for your next chapter, we're just a call away.

HELPFUL TO KNOW

Do's, Don'ts & Key Terms

While You're Buying, Do

- ✓ Keep working at your current job and keep paying bills on time.
- ✓ Answer your lender's requests quickly.
- ✓ Keep copies of all your paperwork.
- ✓ Save receipts for any large deposits into your bank account.
- ✓ Ask us anything, anytime.

Until You Close, Don't

- × Open new credit cards or take out new loans.
- × Make big purchases, like a car or furniture, on credit.
- × Change jobs without talking to your lender first.
- × Move large sums of money between accounts without documentation.
- × Co-sign a loan for anyone else.

Appraisal
An independent estimate of the home's value, ordered by your lender.

Buyer Agreement
The written agreement between you and your agent's broker, required in Texas before showings.

Closing Costs
Fees for the loan, title, and other services, paid at closing.

Closing Disclosure
Your final loan terms and costs, delivered at least three business days before closing.

Earnest Money
A good-faith deposit, typically about 1% of the price, held by the title company and credited toward your costs at closing.

Effective Date
The day the fully signed (executed) contract is delivered. Your contract deadlines count from this day.

Equity
The part of your home you own: its value minus what you still owe.

Homestead Exemption
A Texas property tax break for your primary home. You apply after you move in.

Loan Estimate
A form from your lender showing your estimated rate, payment, and costs.

Option Period
A set number of days after the contract is signed when you can inspect and back out for any reason.

PMI
Private mortgage insurance, usually required on conventional loans with less than 20% down.

Pre-Approval
A lender's review of your finances that confirms how much you can borrow.

Title Company
A neutral company that holds funds, checks the title, and handles your closing.

WE'RE HERE FOR YOU

Let's Get You Home

Questions about this guide, a home you saw online, or where to start? Reach out to any of us. We'd love to hear from you.

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HOWES REALTY GROUP

Brokered by Inc Realty, PLLC



Howes Realty Group is a team brokered by Inc Realty, PLLC. We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation.

Texas law requires all license holders to give the Information About Brokerage Services form to prospective clients. Ask us for a copy, or find each of our forms on our website, along with the Texas Real Estate Commission Consumer Protection Notice.

This guide is for general information only and is not legal, tax, or financial advice. All costs, fees, percentages, and timelines in this guide are estimates and may vary; they are not quotes or guarantees. Loan programs and requirements vary by lender. Always confirm your actual costs with your lender, title company, and service providers.