

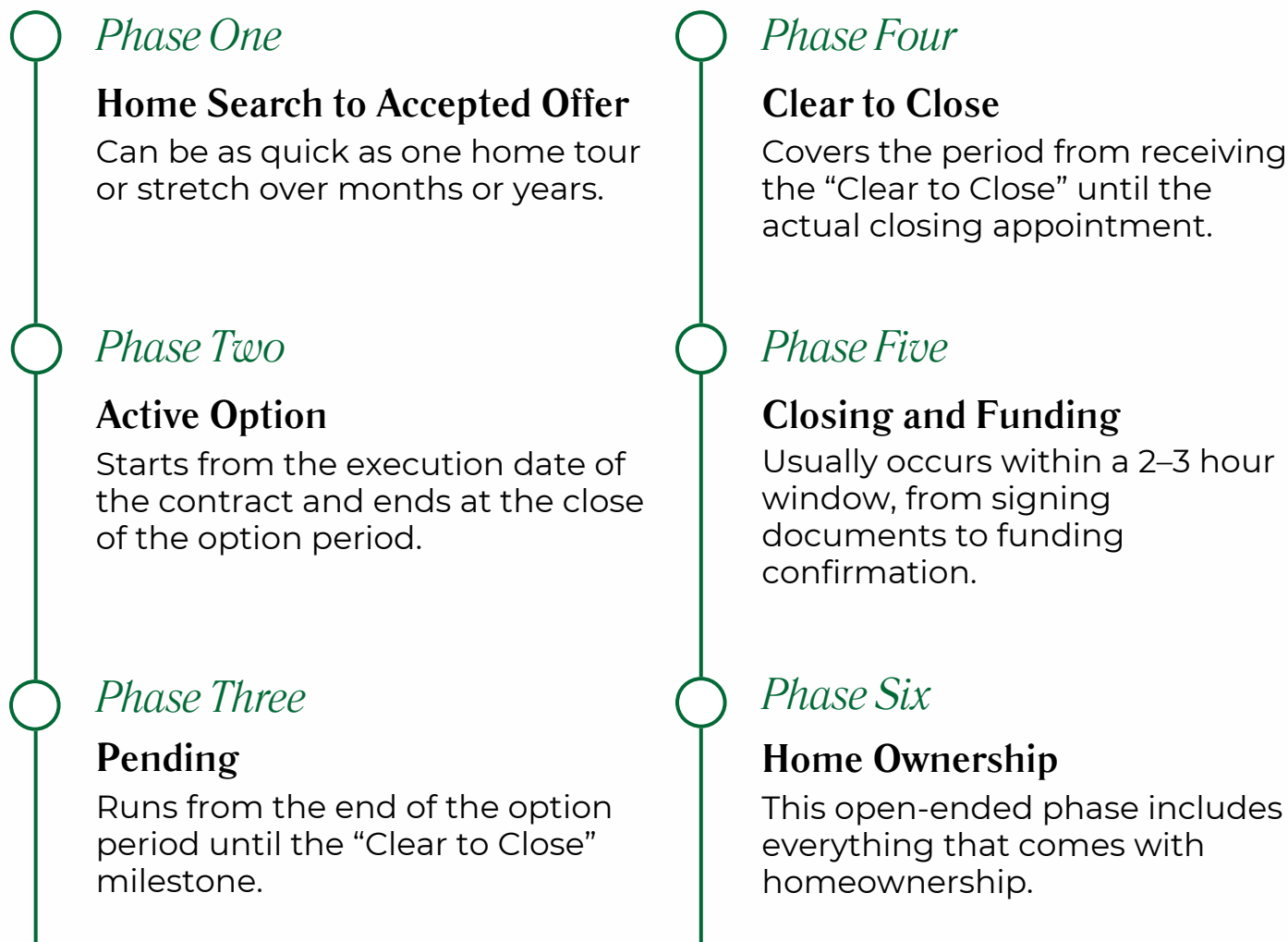
# BUYER'S GUIDE

A comprehensive breakdown of each phase in the **Texas Home Buying Process**, from the first showing to post-closing ownership.

# *The Texas Home Buying Process*

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In Texas real estate, the home buying journey typically unfolds across six distinct phases. Each phase contains critical steps that guide the transaction from the initial home search to full homeownership.



# HOME SEARCH TO ACCEPTED OFFER

## *What to expect*

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### **1. Identify Your Purchasing Capacity and Requirements**

- Determine your budget and housing needs.
- Get pre-qualified by a lender.
- Set your home search parameters.
- Initiate the home search process.

### **2. Conduct Home Search**

- Begin touring prospective properties.
- Analyze and compare homes that fit your criteria.
- Choose one (or more) properties to consider for an offer.

### **3. Make an Offer**

- Submit an official offer using signed contract forms.
- Work with your agent to establish a competitive offer based on:
  - The condition of the home
  - How well it suits your needs
  - How long it's been on the market
  - Ongoing or anticipated showing activity
- Negotiate terms as needed until the offer is accepted.
  - Submit the executed contract to the title company and your lender

# ACTIVE OPTION

## *What to expect*

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This phase runs from the execution date of the contract through the end of the option period. The option period is typically 7–10 days, though in rare cases, a contract may have no option period at all. This is a critical window for inspections, negotiations, and early-stage lender activity.

### 1. Track the Option Period

- The option period begins on the execution date and ends at the negotiated deadline (usually 7–10 days).
- We track this date closely to ensure all key activities are completed on time.

### 2. Submit Funds

- Earnest Money and Option Fee must be delivered within 3 days of the execution date. *If the third day falls on a weekend or holiday, funds are due the next business day.*

### 3. Title Company and Escrow

- Title company opens escrow and begins the title search process. Executed contract is sent to the title company.

### 4. Begin Lender Process

- Submit the executed contract to your lender and begin fulfilling the lender's checklist of required documents and disclosures.

Agents typically have limited visibility into the lender's internal process. I'll check in with the lender a few times per week, but they can only share information you've authorized.

# ACTIVE OPTION

## *What to expect*

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**Communication is key:** 90% of delayed closings are caused by miscommunications between buyers and lenders. Keeping me in the loop by authorizing your lender to share updates with me helps ensure we stay on track.

**Initial Loan Approval Timeline:** Outlined in the 3rd Party Financing Addendum, typically occurs within 14–21 days. This approval means the lender has reviewed your financials against the terms of the contract. This timeline starts in this phase and often continues into the next.

### 5. Conduct Inspections

- Start with a General Home Inspection — ideally scheduled within the first few days after going under contract. I typically pre-reserve inspection slots when we submit an offer.
- The general inspection follows a state-mandated checklist. It is broad, not highly technical. If issues are identified, follow-on inspections are recommended.
  - Common follow-up inspections include: HVAC, Fireplace, Roof, Foundation.
- If needed, schedule and complete follow-on inspections promptly.

### 6. Negotiate Repairs or Seller Concessions

- Based on inspection findings, negotiate for pre-closing repairs or seller-paid concessions.
- These negotiations are influenced by the terms of the original offer. For example, a low initial offer may reduce the seller's willingness to provide further concessions.
- Once agreed upon, sign a Repair Amendment detailing all terms.

# ACTIVE OPTION

## *What to expect*

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### **7. Order Survey (if required)**

- If the seller has a recent, acceptable survey, a new one may not be needed.
- If not, and the buyer is using a loan, a new survey is typically required.  
*Who pays for the survey is determined in the contract.*
- Survey costs range from \$400–\$700 and typically take 3–7 days.

### **8. Order Appraisal**

- The lender orders the appraisal, but the buyer pays for it.
- The appraisal determines whether the home supports the agreed purchase price for financing purposes.
- Appraisal timeline:
  - a. Lender orders through a third-party appraisal company.
  - b. Appraiser is assigned within ~3 days.
  - c. Property is visited within ~5–7 days.
  - d. Final report is delivered to the lender in ~10 days.

*I recommend ordering the appraisal during the option period so this timeline runs concurrently and reduces potential closing delays.*

# PENDING

## *What to expect*

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This is the longest phase of the contract and often feels inactive, but most of the work during this period is happening behind the scenes between the lender and title company. This phase starts at the end of the option period and continues until the lender issues a Clear to Close — typically within one week of the scheduled closing date.

### **1. Contract Status Update**

- Once the option period ends, the property status changes to Pending.

### **2. Initial Loan and Title Deliverables**

- Lender issues initial loan approval.
- Title company delivers the Title Commitment — confirming that the title is clear for legal transfer from the seller to the buyer.
- *If a title issue is discovered (e.g., an old lien or unresolved inheritance), the title company will attempt to resolve it. If it cannot be cleared, the contract will terminate and your earnest money will be refunded. This is rare.*

### **3. HOA Documents (if applicable)**

- If required by the HOA Addendum, the title company orders HOA documents.
- *The delivery timeline is defined in the contract. The buyer has the right to terminate the contract if documents are not delivered on time or contain unacceptable restrictions.*

### **4. Survey Delivered (if applicable)**

- *If a new survey was ordered during Phase 2, it is typically delivered during this phase.*



# PENDING

## *What to expect*

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### **5. Final Underwriting**

- The lender submits your full file for final underwriting.
- *Even if you've already received initial approval, lenders are required to re-review all documentation to prevent errors or omissions.*
- Once approved, the lender will issue a Clear to Close.

### **6. Initial Closing Disclosure**

- Lender issues the Initial Closing Disclosure (CD).
  - This document is rarely 100% accurate at first.
  - It must be issued and signed no fewer than three calendar days before closing, per federal regulations.
  - Signing only acknowledges receipt — not approval.
- *Lenders often send this without including the agent. It's important to loop in your Realtor here to help verify accuracy and flag issues early.*

### **7. Order Residential Service Contract (Home Warranty)**

- Typically handled by our admin staff after consulting you on the preferred provider.
- This is usually included in the contract as a seller-paid item but can also be purchased by the buyer or agent.

### **8. Set the Closing Appointment**

- *The closing date is defined in the contract.*
- *Most title companies won't lock in a specific closing time until a Clear to Close is issued.*
- *If using my preferred title company, we may be able to reserve a closing time earlier.*



# CLEAR TO CLOSE

## *What to expect in between*

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This phase begins once the lender issues the Clear to Close and continues until the actual closing appointment. While it typically lasts around three days, it can be as short as a few hours or extend for several weeks depending on how early the requirements are completed.

### **1. Lender Issues Clear to Close**

- This official milestone means the lender has completed all underwriting and is ready to fund the loan.

### **2. Lender Sends Final Loan Documents**

- Loan documents are sent from the lender to the title company in preparation for closing.

### **3. Title Company Prepares Final Closing Disclosure**

- Title company finalizes all financial allocations including:
  - Tax prorations, HOA prorations (if applicable), Escrow fees, Insurance payments, Lender fees, Seller concessions.
- A Final Closing Disclosure is issued by the title company.

### **4. Review and Approve Final Funds**

- Realtor reviews the disclosure to ensure proper allocation of funds.
- Buyer reviews and approves the final wire amount.

### **5. Buyer Wires Funds**

- Buyer wires the approved funds to the title company before the scheduled closing.

### **6. Utility Coordination**

- Buyer arranges for utilities to be transferred into their name effective the day of closing.

# CLOSING AND FUNDING

## *What to expect in between*

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This phase typically occurs within a 2–3 hour window, starting with the signing of documents and ending when the title company confirms that funds have been disbursed — known as being **“funded.”**

### 1. Closing Appointments

- In Texas, buyers and sellers close separately with an escrow officer.
- Closings usually occur at the title company named in the contract.
- The buyer and their Realtor typically attend the buyer's closing.
- All buyers must bring valid government-issued ID (e.g., driver's license).

### 2. Document Signing and Review

- Once all documents are signed by both parties, the title company sends them to the lender (if applicable).
- The lender reviews the documents, confirms everything is in order, and authorizes the release of funds.
- The title company then confirms funding — usually via email, text, and phone call with the message: “You are funded.”
- *In most cases, funding means the buyer receives the keys and takes possession of the home the same day.*

### 3. Exceptions and Delays

There are several scenarios that can delay funding:

- Remote closings (especially involving overseas parties) may require physical delivery of signed originals before funds are released.
- Late Friday closings or those before a holiday may not fund until the next business day.
- Unexpected delays can occur in rare cases (<1%) due to:
  - (1) Missing signatures, (2) Closing funds wired from an unrecognized account, (3) Errors discovered in signed documents.

# CLOSING AND FUNDING

## *What to expect in between*

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### **4. Leaseback Situations**

- If the contract includes a seller leaseback, possession does not transfer until the leaseback period ends.

### **5. Final Reminder**

Buyers should not schedule furniture delivery or plan to move in on closing day. Delays, while rare, can happen — and possession isn't guaranteed until the transaction is fully funded.

# HOME OWNERSHIP

## *What to expect in between*

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Congratulations — you're officially a homeowner! This phase doesn't have a set end date. It's ongoing and shaped by how you maintain and manage your property. Here are some important first steps and long-term habits to help you protect your investment.

### **1. Immediate Post-Closing Tasks**

- *Service your HVAC system if it wasn't serviced by the seller prior to closing.*
- *File for your Homestead Exemption (and any others you qualify for) if this will be your primary residence. This reduces your property tax bill.*
- *Register any warranties that transferred with the home.*

### **2. Routine Home Maintenance**

- *Deep clean quarterly, including: Baseboards, Filters & Behind and under furniture. This helps identify minor issues before they become major problems.*
- *Re-caulk or re-grout wet areas as needed — especially around: Sinks, Showers, & Toilets. Prevent water penetration and potential long-term damage.*
- *Inspect for signs of water intrusion around windows, roof lines, and exterior trim.*
- *Schedule regular pest control to protect against termites, rodents, and other pests.*

### **3. Stay Connected**

- *Keep in touch with your trusted real estate advisor. Whether it's for contractor recommendations, home improvement advice, or your next move, we're here as a long-term resource — as long as you'll have us.*



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