



Austin Title



home buyers guide

Assistance

In Buying A Home

Buying a home is an emotional decision as well as an important financial one. Before choosing a home, you will need to take a deep look into your heart (and bank account), specifying your wants and needs are important things to consider from the beginning. But of course, the final choice tends to become more of an emotional one. This buyer's guide has been designed , along with a qualified professional real estate agent, to help you make a more educated decision...a decision that you will be confident and content with for many years.

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Ready To Buy

What's Your Financial Situation?

What's your debt load? Credit cards, utilities, car payments, childcare and groceries are factors to consider. Will you be able to handle unforeseen emergencies, monthly bills and a mortgage payment? As a rule of thumb, no more than 28 percent of your gross monthly income should be used for housing payments.

How's your credit history? Delinquent credit card and bank payments, past bankruptcies or a student loan that's unpaid can severely effect your ability to get a mortgage loan. For a small fee you can obtain a credit report on yourself and clear up any misunderstandings before applying for a loan.

Credit Unions:

Experian 1-888-experian (397-3742)

Equifax 1-800-997-2493

Trans Union 1-216-779-2378

What's Your Employment History?

If you have been working continuously for the past two years, a lender should consider this to be steady employment. This does not mean that to be approved for a mortgage loan you need to have worked at the same place for two years; in fact, job changes can be favorable, especially for an increase in pay.

However, if your work history has not been continuous for at least the past two years, as long as you have a reasonable explanation for any breaks in employment, you still may qualify for a loan.

Have You Saved Money for a Down Payment and Closing Costs?

In addition to the amount of money you will have to borrow for your home, the lender will require you to invest, in cash, around five to twenty percent of the purchase price toward the loan. If you are looking at a \$100,000 home, a ten percent down payment would be \$10,000.

Closing costs are additional expenses incurred throughout the buying process that must be paid in cash, like attorney and inspection fees, escrow charges and document fees. Closing costs are typically five percent of the purchase price of the home, so add another \$5,000 to your \$100,000 home.

Points To Remember

A great way to make the house-buying process flow smoothly is to educate yourself and learn from mistakes others have made - this can make the difference between buying the home of your dreams and buying a 'lemon'.

Get Pre-Qualified or Pre-Approved

If you receive pre-qualification or pre-approval from a reputable lender, your negotiating position is strengthened. It shows agents and sellers that you are serious about buying a home.

Seek Guidance from Real Estate Professionals and Inspectors

These people are trained in buying, selling and inspecting. Find someone you respect and trust and allow them to help - it will benefit you in the end.

Get Enough Information About the Properties

Obtain market statistics and sales records for the area you are considering buying a home in so you know how things stack up in your neighborhood (prices, conditions, list-to-selling price ratios).

Look at Enough Houses for Sale

The more you see, the more you will learn about what you want and what each house is worth.

Make the Correct Price Comparison

Do not assess the value of a house only on the asking price. Your real estate agent should compile reports that reflect and compare the selling price of similar houses recently sold.

Calculate All the Costs

When calculating the maximum price you can afford, do not forget to include hidden costs, i.e. courier costs. Calculate a reasonable price range and look for a house that is priced closer to the lower end of your range.

Ask Enough Questions

Don't be afraid to ask questions! You are not supposed to know everything about buying a home. Remember, this is potentially the biggest purchase that you will make in your life - don't get caught in a 'lemon' because you didn't ask enough questions. It's always better to know too much, than too little.

Don't Fear of Losing a Specific House

Don't fall in love with the first house you see. New listings come onto the market all the time. The best deal may still be around the corner.

Look Past Personal Touches

Don't choose a house because you like the interior decorating or cosmetic improvements - that is not what you are buying and it will probably go with the seller when he moves. Check out the actual structure of the house!

Check Out Every Nook and Cranny

Go through the house with a fine-tooth comb. You don't want to find out after you've bought the house that the roof is leaking. Open cabinets, turn on every switch, notice details, move stuff away from the walls, look in the attic, turn on faucets.

Making a Low Offer

Pay only what you can afford. The seller can always make a counter-offer, and you can counter-offer again until you settle on a suitable price, or you can simply walk away.

Avoid Being Pushed Into Buying a Certain Home

Don't make a decision until you feel you've seen enough to pick the best one.

Get Pre-Qualified

How Much Can You Afford?

How much you can borrow will depend on your income, down payment, job stability, existing debts, credit references and payment history. Lenders usually use the following two qualifying guidelines to decide how much of a loan you can manage:

- Your monthly housing expenses - mortgage payment, property taxes, insurance, etc. These expenses should be no more than 28 percent of your monthly gross income.
- Your monthly living expenses and any long-term debts - utilities, car and school loan, child support, health and car insurance, etc. These expenses should be no more than 36 percent of your monthly gross income.

Choosing a Lender

Despite an excess of loans and lenders, comparison shopping has been eased by the development of computer-loan origination systems and mortgage-reporting services - firms that survey major lenders in metropolitan area every week or so and publish information sheets on who is offering what loans on what terms.

Shop for lenders offering the best deals. Check with several mortgage companies and use one or more reporting services. Rely on your own efforts, lots of telephone calls and possibly some old-fashioned legwork. If there isn't a reporting service covering your area, begin the search at your own bank or savings and loan.

Getting Pre-Qualified

Once your financial matters are in order and you've examined your credit record, pay a visit to the lender - mortgage company, savings and loan, bank or credit union that you have chosen. They can translate your results into an amount you can manage and determine the types of mortgages suitable to your needs.

This pre-qualifying meeting should be free of charge, and you are not obligated to use the lender who leads the meeting. When you are ready to negotiate the loan, talk with several lenders. Bring tax returns, salary stubs, and other financial data to the meeting, along with your calculated net worth and monthly cash flow assessments.

If you receive pre-qualification or pre-approval from a reputable lender, your negotiating position is strengthened. It shows agents and sellers you are serious about buying a home.

Work Sheet

Buyer Qualification Worksheet

FHA / Conventional

Mortgage Amount \$ _____

Available Funds:

Savings Account \$ _____

Investments (stocks, bonds, mutual funds) \$ _____

Insurance (cash value) \$ _____

Gifts - Conventional \$ _____

Gifts - FHA (family member or blood relative) \$ _____

Other (Child Support, Disability, etc.) \$ _____

Monthly Salary \$ _____

Gross Monthly Income \$ _____
(A)

Mortgage Payment:

Principal & Interest \$ _____

Taxes \$ _____

Debt Qualification

Total Mortgage Payment (B) \$ _____

Auto Payments * \$ _____

Monthly Charge Card Payments (minimum payments) \$ _____

Loans* \$ _____

Child Support / Alimony \$ _____

Child Care Expenses (FHA Only) \$ _____

Other Monthly Payments \$ _____

Total Mortgage Obligations (D) \$ _____

Allowable Obligations: (E)

For FHA: Gross Income (A) x 41% or

For Conventional: Gross Income (A) x 38%

(Assuming at least 10% down payment)

Total Mortgage Obligations (D)

must NOT exceed line (E) \$ _____ (E)

What Do You Want

What to Look for in a Home

With the multitude of houses on the market today, narrowing down your search by specifying your wants and needs in beneficial and time saving. So before you start looking, ask yourself two questions:

What Kind of Home Do I Want?

You should make three lists:

- A Dream List
- A Need List
- A Do-Not-Want List

Factor in your current housing needs, likes and dislikes and what you may foresee in the future, i.e. children, schooling, aging parents.

For the dream list, jot down all of the features that you would love to have in your home - let your imagination run wild. It might include the following:

- Fireplace
- Swimming Pool with Jacuzzi
- Greenhouse
- Breakfast Nook
- Two Stories
- Skylights

The need list should be features that you know you must have. This list might include:

- Certain Number of Bedrooms
- Certain Number of Bathrooms
- Bath in Master Bedroom
- Separate Dining Area
- Garage
- Basement

The do-not-want list should be everything that you won't be able to live with in your home. This list might include:

- Small Bathrooms
- No Counter Space
- No Windows in Kitchen / Bathrooms
- Tiny Yard
- Insufficient Closet Space
- No Garage

Where Do I Want to Live?

No single factor influences the desirability of a home as much as location. If you can not manage to buy what you want where you want it, it's better to sacrifice a feature on the inside of the house than sacrificing the location. You can add a bathroom or install hardwood floors, but you can't improve the neighborhood.

Look at the surrounding houses. Do the homes and yards seem to be well kept? The condition of these houses will affect the value of the house you buy. If the houses are in poor repair, what does that say about the neighborhood?

What kind of area is it in? How close are the shopping facilities, banks, churches, hospitals, schools, parks, movie theatres, your place of employment and so on.

Explore the lot thoroughly. Does it offer adequate privacy? Will you be able to maintain the ground? Do you like the landscaping?

Before you make a decision on a particular home, reject locations where negative conditions outweigh the positives. Consider:

- **Crime:** You have the right to go the police station and ask for records of robberies, break-ins, vandalism, assaults and drug-related problems in the neighborhood. Is crime increasing or decreasing?
- **Traffic:** Heavy traffic produces a lot of noise and pollution, and it can become quite a nuisance. Make sure you pay attention to the amount of cars and the level of noise.
- **Visually UnAppealing:** When you look into the back yard are you greeted with the sight of a transformer, radio broadcasting tower, gas station, bus stop or ball field where night games are played?
- **Flooding:** Slope and the soil's ability to absorb water determine where and how fast water drains away from the house.

Shopping List

Make Your Home Shopping List

| | | | | | |
|------------------------------|-------------------------------|----------------|-------------|-------|----------|
| Price Range | \$ | | to \$ | | |
| How Many Stories? | 1 | 1.5 | 2 | | |
| Age of Home? | Newer than _____ | | | | |
| Type of Exterior? | Brick | Stone | Wood | Vinyl | Aluminum |
| Number of Bedrooms? | 1 | 2 | 3 | 4 | 5 |
| Number of Bathrooms? | 1 | 1.5 | 2 | 2.5 | 3 |
| Garage? | 0 | 1 | 2 | 3 | |
| Dining Areas? | 1 | 2 | 3 | | |
| Living Areas? | 1 | 2 | 3 | | |
| Fireplace? | Yes | No | | | |
| Pool? | Yes | No | | | |
| Hot Tub? | Yes | No | | | |
| Location? | City | Suburban | Rural | | |
| | Area / Quadrant of City _____ | | | | |
| Preferred Features: | Schools | Church | Shopping | | |
| | Parks | Community Pool | | | |
| Type of Financing We Prefer: | Conventional | FHA Mortgage | VA Mortgage | | |
| | Owner Finance | Adjustable | Assumable | | |

Shopping

Shopping for A Home

Now that you have completed the preliminary tasks - assessing your resources, pre-qualifying for a loan, defining your wants and needs - you can begin the search for your new home.

Strategy #1

Adjust your search to the price range, environment and needs you have established - don't look at houses with two bedrooms if you know you need at least three.

Strategy #2

Shop when others aren't. Across the country, April and May show the most demand for houses. Sellers may not feel pressure to make a deal because there are so many people looking. The best times to look are during late summer and from Thanksgiving through the winter. Learn the local pattern before beginning your search.

Strategy #3

Ask friends, family and neighbors who live around your ideal neighborhoods to let you know if a house will be coming on the market soon.

Strategy #4

Go around the neighborhoods and write down addresses of houses you like. Find out the owners name and phone number by looking at public land records, call them and ask if they are contemplating putting their house on the market. You never know where this might lead; you might plant the it's-time-to-sell-your-house seed in someone's head.

Strategy #5

Always bring a notepad and tape measure with you. Pretend you are an investigator and gather as much information as you can about the house. Find out square footage of the lot and house, room sizes, number of baths and bedrooms, property taxes, average monthly utility bills and the ages of the appliances and mechanical systems. You might want to jot the floor plans down so you can envision the house later.

Strategy #6

Get as much information as you can about the sellers. Ask them why they are selling, how long they have lived there, are they scheduled to settle on a new house, etc. Finding out all you can strengthens your negotiating power, should you decide to make an offer.

Comparison

| | | | |
|--------------------|--|--|--|
| Address | | | |
| Price | | | |
| Location | | | |
| Curb Appeal | | | |
| Neighborhood | | | |
| Lot Size | | | |
| Driveway | | | |
| Yard / Landscaping | | | |
| Bedrooms | | | |
| Bathrooms | | | |
| Kitchen | | | |
| Appliances | | | |
| Storage | | | |
| Garage | | | |
| Deck / Patio | | | |
| Pool / Hot Tub | | | |
| Heat / AC | | | |
| Taxes | | | |
| Schools | | | |
| Condition | | | |
| Personal Property | | | |
| Energy Efficiency | | | |
| Room Sizes | | | |
| Layout | | | |
| Quality | | | |
| "Personality" | | | |

The Offer

An Offer is Made

Find out the selling prices of similar properties to use as a guideline to set your sales price. These comparable properties should have sold not more than six months earlier, should be around the same age and condition, should have close to the same number of bedrooms, bathrooms and square footage and should be in a similar location and on a similar lot.

If you still don't feel comfortable setting a price, consider have a professional appraisal done. Appraisers look at what the home is worth today and how the neighborhood may affect the future property value. If you have the time and want a realistic figure for the true market value of the property, an appraiser is your best bet.

The most important thing to remember is to rely on yourself. You've looked at enough properties to know what similar houses are listed for. This knowledge will provide you with a good idea of the price range of your future home.

Put It In Writing

Put your negotiations in writing. Don't reveal your strategy, and don't make oral offers. You want to buy the house, but you don't want to hand over your money until you are sure the seller is legally capable of conveying a good title and meeting other conditions. The seller, in turn, doesn't want to deliver the deed until you've paid for the property. Now what? You present the seller with a written contract setting out the commitments and promises that you and the seller need to agree on and fulfill to make the sale. A well-drawn contract should protect all parties.

The first contract you submit should be comprehensive; everything of any importance should be included. Once it is accepted by the seller, it may be too late to add or change anything. Your contract should include:

- Offering Price
- Down Payment
- Legal Description of the Property
- Method of Conveying the Title
- Fees to be Paid and Who Will Pay Them
- Amount of Deposit
- Conditions Under Which the Seller and Buyer can Void the Contract
- The Settlement Date
- Financing Arrangements
- A list of Appliances, Furnishings and Other Items Being Sold with the House

The Art of Negotiating

Everything is negotiable when buying a house. For some reason, most buyers either don't believe it or don't like it. Here's a partial list of what's negotiable when you buy a home:

- Price
- Financing
- Closing Costs (except where specified by financing or law)
- Occupancy (when can you get the key and move in?)
- Painting (will the seller repaint a portion of or the entire house?)
- Repairs (will the seller repair the roof, plumbing, windows, etc. and what kind and quality of repairs will be made?)
- Yard (will the seller remove unwanted trees, bushes - put in desired landscaping?)
- Fixtures (which lights, fans, appliances, etc. stay and which go?)
- Wall Coverings (do the drapes stay or go?)
- Furniture (will the seller throw in certain pieces?)
- Prepaid Taxes and Insurance (will the seller credit you with these?)

Negotiation gives the buyer incredible power in making a favorable transaction. It can also place him or her in a position of immense weakness. How you negotiate determines whether you get the home of your dreams ... or whether those dreams end up being a nightmare. Ultimately, how you fare when buying a home is going to be a direct result of your knowledge. The more you know, the better position you'll be in to negotiate.

The Loan

Now that your offer has been accepted, it's time for the next step - the loan. You should have already chosen a lender and been pre-approved. The loan application will cost anywhere from \$100-\$350 and is usually nonrefundable. Lenders levy the fee to cover the costs of running credit reports, filling out mortgage-insurance applications.

Papers You Will Need

From Your Realtor

- A. Copy of Earnest Money Contract
- B. Breakdown of All Taxing Authorities
- C. Amounts of Taxes and Assessments Paid in Previous Year

Provided By You

- A. Verification of Income and Employment
 - Social Security Numbers of both Husband and Wife
 - Income Tax Statement and Copy of W-2 for Previous Year (2 Years if Self Employed)
 - Names and Mailing Addresses of Employers for Past Four Years

- Correct Mailing Address and Person to Whom Employment Verification Information should be directed.
 - Other Income
 - Social Security
 - Retirement
 - V.A. Compensation (Note: Copy of Award Letters or Copy of Checks when Received on the 1st of each month)
- B. Present Address and Previous Addresses to Cover Two Full Years
- C. Account Numbers and Balances for:
 - Checking Accounts
 - Savings Accounts
 - Paid Out Accounts (If Paid Out Recently and is Major Credit such as Automobile, Furniture, Home Improvements, etc.)
 - Current Accounts (Charge Accounts and Monthly Installments) and Current Balances for each
- D. Retirement Fund or Profit-Sharing Information, Life Insurance Cash Values and Premium Paid, Stocks, Bond with Identification Numbers, and other Similar Assets
- E. If Rental Property is Owned, Furnish Copy of a Rental/Lease Agreement on Same.
- F. If You Have Previously had a Mortgage, or have One Now, Bring Information as to the Type of Loan it is, the Loan Number, and the Name and Address of the Mortgage Company You Make/Made Your Payments To.
- G. If You are Divorced and have Children by Previous Marriage, Amount of Child Support Paid or Received - when received - Must have Divorce Decree to Verify Amount Received.
- H. If Applying for a VA Loan:
 - Bring a Copy of Your DD-214 Discharge Paper and Certificate of Eligibility

What To Expect

- Application Forms are Usually Filled Out During the Interview with the Help of a Loan Officer, but You can Fill Them Out at Home and Return Them.
- In Addition to the Application Fee, You May be Asked to Pay a “Loan Origination Fee” or “Prepaid Point” - Typically 1 percent of the loan amount - when you apply, before approval is made.
- Find Out What Will Happen to Your Origination Fee if the Lender Decides NOT to Approve your Loan. Will the 1 percent Origination Fee be Refunded? Get the Answer in Writing Before You Pay.

From the time you submit your completed loan application - and appraisal and credit reports are received - the lender has up to 30 days to approve or reject your request and inform you of its decision. Make sure you haven't been forgotten or put on the back burner. During the process, remind the loan officer of your settlement date and check on their progress.

The Closing

There is no way to guarantee a smooth path from an approved contract to the settlement table, but doing your part is at least half the job. Expect minor problems and delays along the way. On the seller's side, title problems are a common cause of postponed settlements. On your side, bureaucratic snags such as extensive credit checks and slow appraisals can bog things down. In many cases, there isn't much you or the seller can do but wait.

While You're Waiting, Prior to Closing

- Provide a Fully Executed Signed Contract to the Title Company (as a courtesy, your real estate agent will usually do this)
- Provide Another Copy to the Mortgage Company
- Arrange Inspections of the Property, these must be performed during the time limits set forth on the Property Condition Addendum to the Earnest Money Contract
- Request an Itemized List of Closing Costs and Prepaid Items for the Loan Officer to Review Prior to Closing
- Apply for Homeowner's Insurance on Your New Home
- Get an Exact Accounting Settlement Cost, and make sure the money and necessary documents will be there at closing
- Select a Date for the Final Walk-Through of the House
- Contact Utility Companies about Starting Service in Your Name

Insurance On Your New Home

Your lender will require you to take out a homeowner's insurance policy, something you would want to do anyway. The lender wants to cover the amount of its mortgage loan so it can recover the money in the event of a loss. The amount of homeowner's insurance you should carry depends on the replacement cost of your home - what you need to replace it as it stands. Make sure not to confuse this with 'market value' or you could end up over, or under insuring your house. Remember that insurance is really there to cover a catastrophic event. If you want to keep the cost down, do it with the deductible, not the amount of coverage.

- Insure Your New Home for Its Full Replacement Cost
- Make Certain Your Policy Indexes the Replacement Cost to the Actual Regional Increases
- Select a High Deductible and Keep Your Premium Down.
- Be Aware that Valuables such as Fine Arts, Jewelry, Furs, Coins, etc. might need Additional or Separate Coverage
- Ask for Premium Discounts for Installing Dead Bolts; Smoke Detectors; and Sophisticated Fire and Burglar Alarm Systems in New Homes.
- Shop Your Options. Umbrella Disability and Mortgage Disability Insurance may be Helpful

The Inspection

It's a good idea to hire a professional inspector to thoroughly check your potential new home. Many items will require the skilled eye of a professional to determine if there is a problem. Plus, the time you spend with the inspector can give you a wealth of important and invaluable information. This is an opportunity to learn all you can about the house; you shouldn't miss it.

Schedule a final walk-through of the house shortly before settlement, several days in advance is best. The final walk-through will help determine if all problems detected during the professional inspection have been corrected to your satisfaction and this will allow time for the seller to correct any last-minute problems.

If anything needs fixing or further cleaning, tell the seller immediately. Neither you nor the seller wants to postpone the settlement, but make it clear you won't go to closing until a second walk-through is satisfactory.

What To Bring To Closing

For things to go smoothly, each party should bring certain documents and be prepared to pay the necessary fees. Many closing costs can be paid by personal check, but ask the closing attorney or closing officer. A certified or cashier's check may be required; find out whom checks should be made payable.

The seller and his attorney are responsible for preparing and bringing the deed and the most recent property-tax bill. They also will bring other documents required by the contract. This can include the property insurance policy, termite inspection, documents showing the removal of liens and a bill of sale for personal property.

Make sure you have adequate funds in your checking account for the down payment and other settlement costs, arrange for your attorney to represent your interests at the closing. Have your driver's license ready as proof of identity. Finally, it's a good idea to bring a copy of the purchase contract to refresh your memory.

What Happens At Closing

The closing is where ownership of the home is officially transferred from the seller to you. Your closing officer works for the title company and coordinates the document signing and the collection and disbursement of funds. Your main role at closing is to review and sign the documents related to the mortgage loan and to pay the closing costs. A cashier's check must be made payable to the title company at closing. This cashier's check must meet 'good funds' requirements. The title company must have your mortgage company's closing instructions to prepare the Settlement Statement (HUD) and cannot give you a figure prior to receiving the closing instructions. Your real estate agent may provide an estimate. Ask for keys, garage door opener remotes and other security codes/keys or access cards.

Most parties involved with the purchase of your new home will attend your closing. The closing is a formal meeting typically attended by the buyer(s) and the seller(s) (and their attorneys if they have one), both real estate agents and, of course, the closing officer. The meeting is held at the title company's office.

Closing Delays

ANY bills for inspections to be paid at closing MUST be provided to the title company prior to closing. A charge that is paid direct can be set forth on the Settlement Statement (HUD) if the title company is advised before closing that you want it shown as a POC (Paid Outside Closing).

If you want to examine your loan documents, please request that the mortgage company provide the documents to the title company at least one day early so that you may have a copy for review. The title company sends a title commitment to your prior to closing for your review.

If you will not be present at closing to sign documents and intend to use a Power of Attorney, the following MUST occur:

- A. Austin Title must approve the Power of Attorney prior to closing;
- B. Your lender must approve it prior to closing;
- C. The original Power of Attorney must be delivered to Austin Title at closing for recording with the County Clerk;
- D. Austin Title must be able to contact you via telephone on the day of closing to be certain you are alive and well and have not revoked the Power of Attorney.

Closing Costs

Your closing costs are the total of the charges generally paid by the seller to close the transaction. These vary by transaction and some are negotiable between the buyer and seller. Following is a schedule of Buyer's Estimated Charges:

Buyer's Estimated Charges

| | Conv | VA | FHA | Cash |
|----------------------------|---|------------|------------|----------|
| Appraisal | \$350+ | \$350+ | \$350+ | Optional |
| Attorney's Fee | \$200+ | \$200+ | \$200+ | |
| Credit Report | \$65+ | \$65+ | \$65+ | |
| Discount Points | Negotiable | | Negotiable | |
| Escrow Fee (If Applicable) | \$275 | \$275* | \$275 | \$200 |
| Homeowner's Assoc. Fee | Prorated | Prorated | Prorated | Prorated |
| Insurance | 1 Year | 1 Year | 1 Year | 1 Year |
| Lender Required Reserve | — 2 months insurance + 3/4 months tax — | | | |
| Lender Messenger Fee | \$50 | \$50* | \$50 | |
| Title Company Messenger | \$25 | \$0 | \$25 | \$20 |
| Mortgagee's Title Policy | \$100+ (Endorsements Requested by Lender) | | | |
| OTP Survey Amendment | 5% of Owner's Policy Premium | | | |
| Origination Fee | Per Lender | Per Lender | Per Lender | |
| Recording Fee | ~\$100 | ~\$100 | ~\$100 | \$20 |
| Survey | \$400+ | \$400+ | \$400+ | Optional |
| Tax Service Fee | \$100+ | | | |
| Termite Inspection | \$75+ | | \$75+ | Optional |
| Underwriting Fee | \$350+ | | \$350+ | |
| VA Funding Fee | | Per Lender | | |
| Processing Fee | \$300+ | | \$250+ | |
| Wire Transfer Fee | \$25+ | | \$35+ | |
| Flood Cert. | \$20+ | \$20+ | \$20+ | |
| HOA (If Applicable) | Per HOA | Per HOA | Per HOA | Per HOA |
| Total Estimated Costs | | | | |

* A veteran may not pay attorney fees, escrow fees, pest inspection fee, processing or underwriting fee, courier fee, or tax service fee if the veteran is paying a 1% origination fee.

** The Lender and Title Company may have additional fees if a Second Lien applies to the transaction.

These estimates are subject to change.
Please contact your lender for actual charges.

After Closing

After Closing

- You will receive from the County Clerk's Office the original recorded Warranty Deed that transferred title to the property to you. Store this document for safekeeping as you may need to refer to it in the future.
Note: A deed is not like a car title - you do not need the original to the property. When the deed is recorded, your title is on record with the County Clerk
- You will receive from Austin Title an Owner Policy of Title Insurance. This document should also be stored for safekeeping with your other important papers. You should be certain to verify the name and address shown on the policy.
- You will receive a coupon book or other instructions about making your monthly loan payments, from your lender. If you do not receive the coupon book or instructions in time to make your first payment, call your lender or Austin Title to assist you. Make certain to file your homestead exemption with the various taxing authorities who collect taxes on your property. You must be the owner of the property on January 1st to file for this exemption or others you may qualify for and can do so anytime between January 1st and April 30th. (See Homestead Law in Texas)
- If your property taxes are being escrowed / impounded by your mortgage company, forward any tax notices you may receive in the mail to your lender so they can pay the taxes in a timely manner.
- It is the taxpayer's responsibility to be certain that the property is rendered in the taxpayer's name for the upcoming tax year. Contact the County Appraisal District for assistance in making certain this is done.

Homeowner

Now That You're A Homeowner...

You've done it! You've bought a home. You own part of The American Dream. In the process, you've also acquired many responsibilities and concerns. There are mortgage payments to make, records to keep and maintenance to complete. Following are a few tips for the new owner:

Mortgage Payments

Every month you'll receive a statement from your lender reminding you that your mortgage payment is due - or, if you have a coupon book, you'll have to remember to send your payment on time.

Some lenders can automatically deduct your monthly payment from your checking account. This saves you time and postage. And it can prevent the possibility of missing a payment. Ask your lender about this service.

Furnishing and Renovating

You've just moved in. Most of your belongings are still in boxes. But you've decided the first thing you want to do is redo the first-floor bathroom, buy furniture for the living room and strip the wallpaper from every wall in the house. STOP! Put your hands in your pockets, seal your wallet, tie yourself the banister. DO NOT do anything major right away.

Acquiring a home requires some adjustment. Your mortgage payment is probably a good deal higher than rent you've been paying, so you need some time to get used to the new cash regimen you'll be living under. Too many new buyers realize to late that they had no idea how much it costs to run a home.

The message here is simple common sense. Go for a slow, smooth transaction. You'll probably be living in this house for a good while; don't try to do everything at once, even if you can afford it.

Papers To Keep

You should keep a copy of every document you signed at the closing. It's especially important to keep a copy of your settlement statement. It will be useful when you file your taxes and if you sell your home. For example, the real estate taxes and loan discount points you paid as part of your closing costs are tax deductible. So, when you file your taxes, refer to your settlement form to get these amounts.

In addition to the closing documents, you should keep all insurance records, such as homeowners and title insurance. You would need to have access to your homeowner's policy if, for example, someone were to sue you because they were injured on your property. And you would refer to your title insurance policy if you were to find a flaw in the title after you bought the house.

It's a good idea to keep these important records in a safe place. You may want to store them in a safety deposit box or a bank vault in addition to keeping a copy at home, in a fire proof safe.

Home Maintenance

Your mortgage requires that you adequately maintain your property and not allow it to deteriorate. And as a homeowner, you can't afford to sit back and postpone maintenance. You can extend the life of appliances and fixtures and avoid expensive repairs by performing routine maintenance yourself.

It's a good idea to set up a budget for your home's regular maintenance and unexpected repairs. You may want to budget 1 percent of the purchase price of your house to cover annual maintenance and repairs. You also may want to stick to a regular savings plan to cover essential bills, emergency repairs and large, periodic expenses such as property taxes and homeowner's insurance.

Enjoy Your New Home!

Enjoy your home and make it your own.
That's why you purchased it in the first place.

Homestead Law

Homestead Law in Texas

The 'residential homestead' refers to the lot or parcel of land upon which the residence of the family or single adult person is located and anything which is a part of that land is subject to the homestead exemption laws of the State of Texas. Those laws primarily provide for the security of a family's home, shelter, and earning of a livelihood free from the claims of all creditors, save and except the holders of purchase money liens, liens for improvements and taxes.

Concerns of Issuing Title Insurance, Must Then be the Insuring of Loans on Homestead Properties. As the homestead laws presently exist, a homestead may be validly mortgaged for three purposes only:

- Purchase Money
- Making Improvements to the Homestead
- Payment of Real Property Taxes or Discharge of Real Property Tax Liens

Loans made against the homestead for any other purpose are not considered valid and are, therefore, uninsurable.

Community Property

Texas - A Community Property State

Community Property may be defined as all property acquired by either spouse during marriage, EXCEPT that which is the separate property of either. Separate property may be defined as 'All Property Owned or Claimed By Either Spouse Before Marriage and Also That Acquired Afterward by Gift, Devise or Descent.' Exactly what constitutes separate property is a question of FACT, as property acquired during marriage is generally presumed to be COMMUNITY PROPERTY. Therefore, for the purpose of insuring title, the burden of proof is on the spouse who claims the property to be separate in nature. Therefore, any buyer seeking to purchase in Texas by financing part of the payment for the property, must include the spouse on the Deed of Trust at closing. This enables the title company to insure the lender's lien on the property.



Austin Title

Visit Any of Our Convenient Locations:

Westlake Office

3520 Bee Cave Rd #250
Austin, Texas 78746
306-0988 phone
306-0989 fax

Georgetown Office

800 S. Austin Avenue, Suite E
Georgetown, TX 78626
948-9494 phone
2948-9495 fax

Spicewood Springs Office

3708 Spicewood Springs Rd, #100
Austin, Texas 78759
346-4020 phone
346-4993 fax

South Office

3815 Capital of TX Hwy. S., #140
Austin, Texas 78704
492-8909 phone
492-8718 fax

Round Rock Office

101 E. Old Settlers, #100
Round Rock, TX 78664
238-8999 phone
238-8622 fax