

# Austin Area Home Buyer's Guide

The straightforward path  
to your next chapter.



## Complete Homebuyers Guide

### Hi, I'm Carissa Cruz!

Welcome! Buying a home is more than a transaction — it's about starting your next chapter in a place that feels right for you and your family.

I'm a local realtor based in Pflugerville serving Greater Austin (Pflugerville, Round Rock, Leander, Hutto, Georgetown, and North Austin). I created this guide to give you straightforward, honest information without any pressure.

Whether you're a first-time buyer, looking for more space, or relocating to the area, I'm here to help make the process simple and successful.

Let's find a home where you can truly put down roots — maybe even with room for a garden.

— Carissa Cruz

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Buying a home is one of the biggest financial decisions you will make, and having the right roadmap can make the process feel far more manageable. This guide will walk you through every step of the journey, from financial preparation and house hunting to closing day. Along the way, you will learn what to expect, what to prioritize, and how to make confident decisions at each stage.



### Getting Started: Financial Preparation

Before you start touring homes, it is important to understand your financial position and prepare for the costs ahead. A clear picture of your income, savings, debt, and credit will help you narrow your search and avoid overextending yourself.

#### Assess Your Financial Health

- Check your credit score; aim for **620+** to qualify for more loan options.
- Review your credit reports for errors and dispute anything inaccurate.
- Calculate your debt-to-income ratio; it should generally stay below **43%**.
- Evaluate your savings for a down payment, closing costs, and moving expenses.
- Review your monthly budget to understand how a mortgage payment will fit into your life.

#### Determine Your Budget

Knowing what you can afford is just as important as finding the right home. Start by looking at your gross monthly income and the amount you already spend on recurring debt and essentials. A common guideline is the **28/36 rule**: your housing costs should not exceed 28% of your gross monthly income, and your total debt should stay below 36%. This helps you set a realistic target before you begin making offers.



**Tip:** Get pre-approved for a mortgage before house hunting. This shows sellers you're a serious buyer and helps you understand your true budget.

## Down Payment Options

| Loan Type    | Minimum Down Payment | Best For                               |
|--------------|----------------------|----------------------------------------|
| Conventional | 3-20%                | Buyers with good credit (620+)         |
| FHA          | 3.5%                 | First-time buyers, lower credit scores |
| VA           | 0%                   | Veterans and active military           |
| USDA         | 0%                   | Rural property buyers                  |

\*Local Note: Texas has several first-time homebuyer programs — I can help you explore them.

## The Mortgage Process

Understanding mortgage options and the application process can help you move forward with more confidence. Different loan types come with different payment structures, qualification requirements, and long-term costs. Knowing the basics before you apply can save time and help you choose the right fit for your financial goals.

### Types of Mortgages

| Mortgage Type         | Term           | Key Features                                           |
|-----------------------|----------------|--------------------------------------------------------|
| Fixed-Rate            | 15 or 30 years | Stable monthly payments, predictable costs             |
| Adjustable-Rate (ARM) | 5/1, 7/1, 10/1 | Lower initial rate, adjusts after fixed period         |
| Interest-Only         | Varies         | Pay only interest initially, lower payments short-term |

### Mortgage Application Checklist

- ☐ Proof of income (pay stubs, W-2s, tax returns)
- ☐ Employment verification
- ☐ Bank statements (2-3 months)
- ☐ Photo ID and Social Security number
- ☐ Credit report authorization
- ☐ List of assets and liabilities
- ☐ Gift letter (if receiving down payment assistance)
- ☐ Rental history or current mortgage statements

## Finding the Right Home

Finding the right home starts with understanding the difference between what you need and what you want. Your must-haves should reflect the essentials that support your daily life and long-term budget, while your nice-to-haves can guide your wish list if the right home comes along. A real estate agent can help you refine your search, identify strong options, and spot tradeoffs you may not notice on your own. With a clear list in hand, you can focus on homes that truly fit your goals.

### Must-Have vs Nice-to-Have

| Must-Haves                                                                                               | Nice-to-Haves                                                                                   |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>Location</li><li>Number of bedrooms</li><li>2 car garage</li></ul> | <ul style="list-style-type: none"><li>Pool</li><li>Updated kitchen</li><li>Large yard</li></ul> |

### Working with a Real Estate Agent

A buyer's agent represents your interests throughout the homebuying process, which can make a major difference when you are comparing homes and negotiating terms. They bring local market knowledge, help you understand pricing trends, and spot issues you might miss on your own. A good agent can also negotiate on your behalf, which may improve your chances of getting a fair deal.

### Making an Offer

Once you find the right home, the offer process turns your interest into a formal proposal. A competitive offer usually balances price, timing, and conditions in a way that appeals to the seller while still protecting your interests. The strongest offers are often well-prepared, clearly documented, and backed by a lender.

#### Components of a Strong Offer

- 1. Competitive price based on comparable sales
- 2. Earnest money deposit (typically 1-3% of purchase price)
- 3. Pre-approval letter from your lender
- 4. Reasonable contingencies (inspection, appraisal, financing)
- 5. Flexible closing timeline that works for the seller
- 6. Personal letter to seller (optional but can help)

#### Common Contingencies

| Contingency     | Purpose                                  |
|-----------------|------------------------------------------|
| Home Inspection | Identify structural or mechanical issues |
| Appraisal       | Ensure home value matches purchase price |
| Financing       | Protect buyer if loan falls through      |
| Home Sale       | Buyer must sell current home first       |

### Home Inspection & Appraisal

These two steps are critical for protecting your investment and making sure the home is worth what you plan to pay. The inspection helps uncover issues that may not be obvious during a showing, while the appraisal confirms whether the property supports the loan amount. Together, they give you a clearer picture of the home’s condition and value. If either step raises concerns, you still have time to adjust your next move.

#### The Home Inspection

Inspectors look closely at the home’s major systems and structure, including the foundation, roof, plumbing, electrical, HVAC, windows, and more. They are checking for safety concerns, signs of damage, and repairs that may become expensive later. It’s a good idea to attend the inspection so you can see issues firsthand and ask questions. This can help you better understand what needs attention now versus what may be routine maintenance later.

- Review the inspection report carefully
- Prioritize major issues vs. minor repairs
- Request repairs or credits from the seller
- Renegotiate price if significant issues are found
- Walk away if the problems are too severe

## The Appraisal Process

Lenders require an appraisal to confirm the home's value before approving the loan. An appraiser compares the property to similar homes in the area and evaluates whether the purchase price is supported by the market. If the home appraises low, you may need to renegotiate the price, cover the difference yourself, or reconsider the deal. This step helps protect both you and the lender from overpaying.

 **Important:** If the appraisal comes in lower than your offer price, you have options: negotiate a lower price, increase your down payment to cover the gap, or use your appraisal contingency to exit the contract.

## Closing Day

Closing day is the final step where ownership transfers from the seller to you. You'll meet with the necessary parties, review final paperwork, and sign a stack of documents that make the purchase official. Expect the process to take some time, especially if there are last-minute questions or corrections. Once everything is signed and funds are disbursed, you'll receive the keys and the home is yours.

### Closing Costs to Expect

- Loan origination fees (0.5-1% of loan amount)
- Title insurance and title search
- Attorney fees
- Property taxes (prorated)
- Homeowners insurance (first year premium)
- HOA fees (if applicable)
- Recording fees and transfer taxes

Closing costs typically range from 2-5% of the purchase price. It's smart to budget for them early so there are no surprises at settlement.

### Final Walk-Through Checklist

Do your final walk-through about 24 hours before closing to make sure the property is still in the agreed-upon condition. This is your last chance to confirm that repairs are complete and nothing has changed since your offer was accepted.

- ☐ All agreed-upon repairs have been completed
- ☐ No new damage to the property
- ☐ All appliances and fixtures included in sale are present
- ☐ Utilities are functioning properly
- ☐ Property is clean and debris-free
- ☐ Garage door openers and keys are available
- ☐ No personal property left behind (unless agreed)

## After You Close

Once you become a homeowner, there are a few important tasks to handle right away so you can settle in smoothly. Taking care of these steps early helps protect your home, keep your records organized, and prevent avoidable problems later.

### First Steps as a Homeowner

1. Change the locks for security
2. Set up utilities in your name
3. Update your address with USPS, banks, and important accounts
4. Locate and test main water shut-off and electrical panel
5. Schedule regular maintenance (HVAC, gutters, etc.)
6. Keep all closing documents and warranties organized
7. Consider a home warranty for major systems and appliances

🎉 **Congratulations!** You're now a homeowner. Remember that homeownership is a journey — stay on top of maintenance, build equity, and enjoy your new space!

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## Additional Resources

- HUD.gov — U.S. Department of Housing and Urban Development
- ConsumerFinance.gov — Mortgage and homebuying tools
- Realtor.com or Zillow — Property search and market data
- Local housing counseling agencies — Free homebuyer education
- Your state's housing finance agency — First-time buyer programs
- Home inspection associations (ASHI, InterNACHI) — Find certified inspectors

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