A NORTH TEXAS HOMEBUYER GUIDE

YOUR FIRST HOME STARTS HERE.

An easy-to-follow guide to offers, the Texas Option Period, inspections, financing and closing-day keys.

YOU BRING THE DREAM. I'LL HELP WITH THE DETAILS.

Practical steps, honest expectations and smart questions—so your first home purchase feels more manageable.

Elizabeth Kelton | REALTOR® · GRI

THE REAL ESTATE STATION • MAXIMIZING EVERY MOVE

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BEFORE THE FIRST SHOWING

Start with a smart plan

A strong purchase begins long before you walk through the front door.

Know your comfortable payment

Ask your lender for a full estimate that includes principal, interest, property taxes, insurance, mortgage insurance (if applicable), and HOA dues.

Sort your must-haves from your wish list

Must-haves might include commute, bedrooms, accessibility or yard space. Cosmetic features belong on the wish list unless changes would be expensive or impractical.

Understand who represents you

Discuss your agent's role, services, required written buyer agreement and negotiable compensation before touring. Ask questions before signing.

Bring the right mindset to showings

Look at the lot, layout, natural light, traffic and maintenance clues. Open your eyes to warning signs, but let inspectors and specialists evaluate them.

Look Beyond the Cosmetics

If I could change the paint, flooring, and decor, would I still love the location, layout, and overall features of this home?

BUYER REPRESENTATION

What does your buyer's agent do?

Your rights, your agent's duties, and real value at every step.

Start with the IABS

The Information About Brokerage Services (IABS) explains brokerage relationships and the duties a broker owes a client. It helps you understand your choices before deciding who will represent you.
The IABS is a disclosure—not the agreement hiring your agent.

01

BEFORE YOU SHOP

Discuss your budget, priorities, representation choices, and what to expect before touring.

02

PROPERTY RESEARCH

Evaluate comparable sales, disclosures, taxes, restrictions, and questions to investigate.

03

OFFERS & NEGOTIATIONS

Explain contract terms and negotiate price, dates, concessions, and other terms you approve.

04

OPTION PERIOD & DUE DILIGENCE

Coordinate inspections, review findings, and help you weigh repairs, credits, or termination.

05

THROUGH CLOSING

Track deadlines and coordinate with the lender, title company, and other professionals.

Your agent advises. You decide.

The representation agreement establishes services, terms, and compensation. Your agent provides guidance and advocacy; inspectors, lenders, appraisers, surveyors, and attorneys provide their own specialized advice.

BUYER REPRESENTATION & COMPENSATION

Your representation & how compensation works

A clear explanation of services, fees, and financial responsibility.

WHAT YOU RECEIVE

Your agent researches properties, evaluates comparable sales and disclosures, helps negotiate your offer, coordinates due diligence, and tracks deadlines through closing.

HOW THE FEE IS SET

My proposed brokerage compensation is 3% of the purchase price. This is not a required or standard rate. All brokerage compensation is negotiable and set in our written Buyer Representation Agreement.

WHO MAY PAY IT

The seller or listing brokerage may contribute toward the agreed fee. If those payments do not cover the full amount, the buyer is responsible for the difference under the representation agreement.

EXAMPLE / $400,000 PURCHASE

Agreed fee: 3% of purchase price	$12,000
Seller or listing-broker payment: 2%	– $8,000
Remaining buyer obligation: 1%	**$4,000**

BEFORE WRITING AN OFFER

We will review the property-specific contributions, your possible remaining obligation, and estimated cash to close. Seller contributions can be negotiated as part of an offer.

WHAT THE IABS EXPLAINS

The Information About Brokerage Services (IABS) notice explains Texas brokerage relationships and agent duties. It is a disclosure, not the agreement hiring your agent.

YOUR ROAD MAP

From “I love it” to “I own it.”

The big-picture sequence. Your particular contract may have different deadlines and contingencies.

01

PREPARE

Decide on a comfortable monthly payment, talk with a lender and understand buyer representation.

02

MAKE AN OFFER

Evaluate pricing and terms, then negotiate a signed, effective contract.

03

DELIVER FUNDS

Send earnest money and the option fee to the contract-designated escrow agent by the deadline.

04

OPTION PERIOD

Inspect, investigate, negotiate—and decide whether to move forward.

05

PENDING / LOAN WORK

Work through appraisal, title, underwriting, insurance and any remaining conditions.

06

CLOSE & GET KEYS

Review final figures, complete walkthrough, sign, fund and receive possession as agreed.

Two payments. Two very different jobs.

Once the offer is accepted and the contract is effective, your deadlines start running.

Earnest money

A good-faith deposit, usually held by the title company in escrow and typically applied to the purchase at closing.

Option fee

Negotiated consideration for the buyer's unrestricted termination right during the agreed Option Period.

Under the TREC resale contract, earnest money and the option fee are due within three days after the effective date, subject to contract provisions. Follow your escrow agent's instructions.

Important distinctions

- Earnest money is not automatically refundable whenever a buyer changes their mind. Contract rights and timing determine the outcome.
- If you terminate under the unrestricted option right by the deadline, your earnest money is refunded. The option fee is NOT refunded. If you close, the option fee is credited to the sales price.
- Funds do not necessarily require two physical checks. The title company may instruct you to use a wire, cashier's check or another approved method.

WIRE-FRAUD REMINDER: Always verify payment instructions by calling the title company at a number you independently trust. Never rely on an unexpected email update.

The Option Period is your safety window.

This is when you find out whether the house is truly right for you—not just whether you love the kitchen.

During a properly established Option Period, the buyer may terminate for any reason—or no stated reason—by giving the required notice before the contract deadline.

What happens during the Option Period?

- Book a professional home inspection quickly. Inspectors may suggest specialists for roof, foundation, sewer, HVAC, electrical or pest concerns.
- Review seller disclosures, property restrictions, survey, insurance options, drainage, potential flooding and major system ages.
- Discuss findings and choose: proceed as-is, negotiate repairs or another written change, or terminate on time.
- A seller is not obligated to agree to repairs. Inspection or negotiation does not automatically extend the Option Period.

THE DEADLINE MATTERS: The unrestricted right does not automatically continue after the Option Period. Other termination rights may exist, but only if supported by your contract.

What does “pending” mean?

In everyday language, the seller has accepted a contract and the home is moving toward closing—not sold yet. MLS status labels can differ and may change at different points. Even after the Option Period, lender, title and other contract conditions may remain.

WORDS YOU WILL HEAR

Real estate, translated

Clear definitions for the terms you will hear along the way.

PREAPPROVAL

An initial lender assessment of your borrowing eligibility. It is not a final mortgage approval.

COMPARABLE SALES (COMPS)

Recent relevant sales used to evaluate whether the asking price or offer is supported by the market.

SELLER DISCLOSURE

A form describing certain property conditions and other information the seller is required to disclose when applicable.

TITLE COMMITMENT

An early report describing the proposed title insurance coverage, ownership information and listed exceptions or requirements.

APPRAISAL

An independent opinion of property value usually ordered for the lender; it is not the same as a home inspection.

UNDERWRITING

The lender's review of the borrower, loan documents and property before approving the loan.

FINAL WALKTHROUGH

A buyer's last look before closing to check the home's condition and completion of any negotiated work.

TREC (TEXAS REAL ESTATE COMMISSION)

The Texas state agency that licenses and regulates real estate brokers and sales agents, enforces licensing laws, and provides consumer protection information.

Remember: the OPTION PERIOD is the negotiated time in which a buyer with a valid unrestricted termination right may terminate by the contractual deadline, for any reason or no stated reason. The option fee is NOT refunded when that right is exercised.

MORTGAGE PROCESS

What your lender needs—and when.

A financed purchase often takes about 30–45 days from contract to closing, though timelines vary.

1 GET PREAPPROVED

Credit, income, debts and available cash are reviewed before or during your search.

2 APPLY / REVIEW ESTIMATES

Compare the Loan Estimate, interest rate, projected payment and total cash to close.

3 PROCESSING & UNDERWRITING

The lender verifies your information and the property; expect follow-up requests.

4 APPRAISAL / CONDITIONS

Lender checks property collateral; you satisfy documentation and approval conditions.

5 CLEAR TO CLOSE

For most covered mortgages, receive the Closing Disclosure at least three business days before closing.

Documents to have ready

- Photo ID; employment and address history; recent pay stubs and often two years of W-2s.
- Recent bank and asset statements, plus tax returns or business records if requested (especially if self-employed).
- Paper trails for gifts, large deposits, debts or other items underwriting asks about.

AVOID SURPRISES: Check with your lender before new loans, credit cards, major purchases, job changes or large transfers. Upload sensitive documents through a secure lender portal.

SMART TOURING

Look past the paint. Study the property.

Fresh staging is lovely. A sound house, functional layout and reasonable ownership costs matter far more.

PAY CLOSE ATTENTION TO

- Drainage, standing water and grading
- Large cracks, uneven floors, sticking doors
- Roof, HVAC, plumbing and electrical
- Water stains, dampness and musty odors
- Noise, commute, lot and floorplan
- Taxes, insurance, HOA and restrictions

EASIER TO CHANGE

- Paint colors and wallpaper
- Dated cabinet pulls or light fixtures
- Seller's furniture and decorating style
- Ordinary cosmetic wear
- Changeable landscaping details
- Minor finishes you can budget to update

Your job is to notice and ask, not diagnose. A qualified inspector and appropriate specialists help determine whether an observation is significant.

Before you fall in love, ask yourself...

- Can I afford the payment including taxes, insurance and ongoing maintenance?
- Does the location, street and layout truly fit my day-to-day life?
- If a major system needs work, do I understand the cost and next steps?

FROM PENDING TO HOMEOWNER

Your closing-day game plan

A practical checklist for the final stretch of your first purchase.

AS SOON AS YOU ARE PENDING

Keep responding to lender and title requests. Shop for homeowners insurance. Plan utilities and moving arrangements; leave room for date changes.

BEFORE YOU SIGN

Review your Closing Disclosure and verified cash-to-close instructions. Complete your final walkthrough and check the status of agreed repairs.

BRING TO THE TITLE COMPANY

A valid government-issued photo ID and any documents or funds your title company specifically requests. Independently confirm wire details to avoid fraud.

AFTER FUNDING AND POSSESSION

Collect keys when your contract allows. Change or rekey locks, reset garage codes, inspect smoke alarms and keep closing documents safe.

One tip worth remembering

Avoid scheduling movers for the same day as closing. Signing does not necessarily mean funding or possession has occurred.

CLOSING & NEXT STEPS

The finish line: funded and home.

Signing documents and receiving possession are not always the same moment.

Before closing

- Confirm insurance, utilities, title details and outstanding contract obligations.
- Review the Closing Disclosure: monthly payment, loan terms, fees and cash to close.
- Perform your final walkthrough to check condition and any agreed repairs.
- Confirm the title company's acceptable identification and how to deliver closing funds.
- After signing, wait for confirmation of funding and the contract's possession terms before getting your keys.

YOUR NEXT MOVE: Keep this guide handy, bring the separate one-page Home Tour Checklist to showings, and ask questions early—especially before a deadline.

Let's make your first move a confident one.

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Educational overview only, not legal, lending, tax or inspection advice. Dates, terms, local listing statuses and program requirements vary. Sources for further reading: trec.texas.gov and consumerfinance.gov.