



# First-Time Homebuyer

PREP KIT

A step-by-step guide to preparing for your first home and financing with Texas Tech Credit Union.

 Equal Housing Lender | Federally insured by NCUA

You don't need a  
realtor or a house  
picked out to talk  
to a Mortgage  
Loan Officer.



# Buying Your First Home

## STARTS BEFORE YOU SHOP

Most first-time home buyers think the process starts with house hunting. It doesn't.

It starts with preparation.

Understanding your finances, getting pre-approved, and knowing what to expect puts you in control from day one.

### HERE'S WHY THAT MATTERS:

1

Early planning helps  
you avoid overspending.

2

Pre-approval  
strengthens your  
position when making  
an offer.

3

Knowing your numbers  
reduces stress and builds  
confidence.

# Understand What You Can **Afford**

Setting your budget ahead of time helps you focus on homes that fit your financial reality, not just your wishlist.

## The difference between home price and monthly payment:

In a simple world, you would calculate your monthly mortgage payment by dividing the cost of your home by the number of years, in months, you agree to pay back that loan. But there are a lot of factors that go into your monthly mortgage payment beyond the purchase price of the home.

Your down payment, your loan's interest rate, how long your loan is for, and other costs like property taxes, home insurance, and even homeowner association fees all go into what you'll be expected to pay every month—and it can add up fast.

That's why it's important to understand what lenders take into account when determining how much house you can afford.

### **Income**

Lenders look at your gross monthly income and employment history

### **Assets**

Liquid savings and reserve accounts as needed

### **Debt**

Student loans, car payments, credit cards, and other obligations

### **Credit**

Your credit score affects your interest rate and loan options

**Remember:** Just because you're approved for a certain amount doesn't mean you should spend it all. Your Texas Tech Credit Union Mortgage Loan Officer helps you find a payment that works for your life, not just your income.



Use our [mortgage and affordability calculator](#) to help determine what works best for you.

## STEP TWO

# Get Pre-Approved

## WITH TEXAS TECH CREDIT UNION

### What does pre-approval mean?

Pre-approval shows how much you can borrow and what your mortgage terms look like before you start house hunting.

This protects you by removing any potential surprises and giving you confidence when you find the right home.

Texas Tech Credit Union can help you determine a realistic loan amount by looking at your unique financial situation.

### What the pre-approval process looks like:

- 1 Apply online or connect with a Texas Tech Credit Union Mortgage Loan Officer.
- 2 Your Mortgage Loan Officer will review your income, credit, and homeownership goals.
- 3 Receive your pre-approval letter with your approved loan amount.

### Benefits of pre-approval:

- 1 Gives you a clear budget range to shop within.
- 2 Shows sellers you're a serious buyer.
- 3 Locks in clarity early in the process.
- 4 Helps you move quickly when you find the right home.





## STEP THREE

# Prepare for Upfront Costs

Beyond your monthly payment, there are upfront costs to plan for when buying a home.

Your Texas Tech Credit Union Mortgage Loan Officer will help you understand and plan for these so nothing comes as a surprise.

### WHAT TO EXPECT:

#### Down Payment

You don't always need 20% down. Many first-time home buyers put down much less. We'll help you understand your options.

#### Closing Costs

Typically 2–5% of the home price. These cover things like loan origination, title insurance, and attorney fees.

#### Other Upfront Costs

Your inspection and earnest money are other costs to include in your budget.

#### Reassurance

These costs can feel overwhelming at first, but your Mortgage Loan Officer will walk you through each one and help you budget accordingly.

## STEP FOUR

# Start House Hunting

(THE SMART WAY)

Now comes the exciting part: finding your home!

### TIPS FOR SHOPPING SMART:

1

#### Work with a real estate agent who understands your budget

A good agent will help you find homes in your price range and won't push you beyond what you're comfortable spending.

2

#### Stay within your pre-approved range

Just because a lender approves you for a certain amount doesn't mean you have to spend it all. Stick to what feels right for your monthly budget.

3

#### Don't let emotions push you to overspend

It's easy to fall in love with a home that's just outside your budget, but stretching too far can lead to financial stress down the road.

4

#### Think long-term

Consider not just what you can afford now, but what works for your life in 5 or 10 years.

### What to avoid during this phase:

Remember, you're still in the financing process. Keep your finances stable by avoiding:

- Opening new credit cards or loans
- Making large purchases (furniture can wait)
- Changing jobs, if possible
- Large cash deposits or withdrawals

These changes can affect your loan approval, so wait until after closing to make any big financial moves.





## STEP FIVE

# Make an Offer

## & SECURE YOUR MORTGAGE

You found the one! Now what?

At this stage, you've already received your pre-approval and chosen a home. Now it's time to make an offer and finalize your mortgage.

### WHAT HAPPENS NEXT:

#### Making an Offer

Your real estate agent will help you submit a competitive offer based on the home's value and market conditions.

#### Contingencies

There can be conditions that protect you during the purchase process, like the home passing inspection or the appraisal coming at the agreed upon price.

#### Behind the scenes, your Texas Tech Credit Union Mortgage Loan Officer is working on —

- Coordinating the appraisal
- Processing your loan application
- Working with underwriting to finalize approval
- Preparing for closing

Don't worry, we'll make sure you're supported through every step of the process. We'll keep you informed and make sure everything stays on track.



# Why Finance

## WITH TEXAS TECH CREDIT UNION

### STEP SIX

Choosing where you finance your home matters because it affects your rate, your experience, and who's guiding you through the biggest purchase of your life.

#### Benefits of financing with Texas Tech Credit Union:

**Local Mortgage Loan Officers** — Real people who know West Texas and are here to help

**Competitive mortgage rates** — We work to get you the best rate possible

**Personalized guidance** — No pressure, just clear answers to your questions

**Easy application process** — Apply online or work directly with our team

**Member-owned, not-for-profit** — We're here to serve you, not shareholders

**Federally insured by NCUA** — That means your deposits are protected

### Your Best Mortgage Rate—Guaranteed.

Texas Tech Credit Union stands behind our rates with the Best Rate Guarantee. We're so confident that we offer the best rates in the market that if you find a better qualifying mortgage rate from another lender, we'll pay you \$1,000.

#### HERE'S HOW IT WORKS:

- 1 **Apply for a Texas Tech Credit Union Mortgage.** Complete our easy online application or connect with one of our Mortgage Loan Officers to get started.
- 2 **Get Pre-Approved.** We'll give you the best mortgage rate through our simple pre-approval process.
- 3 **Get the Best Rate.** If we're unable to provide you with the best rate on a similar mortgage\*, we'll give you \$1,000.

#### WHAT THIS MEANS FOR YOU:

Shop with confidence knowing you're getting a competitive rate with a knowledgeable mortgage loan officer.

\*A similar mortgage must be for a first lien purchase or refinance of a primary or secondary residence, same property, loan purpose, term, and loan amount, with the same or lower closing costs. To receive your competitive rate adjustment, you must provide Texas Tech Credit Union Mortgage with a copy of the competitor's Loan Estimate, Rate Lock Agreement, and documentation of the property, loan purpose, rate, term, loan amount, and closing costs. Documentation must be dated within 3 calendar days of locking your rate with Texas Tech Credit Union Mortgage.

We stand behind our rates so you don't have to second-guess your decision.



# Ready to Take the **First Step**?

You don't have to have everything figured out to start the conversation.

**Take the next step:**

Talk to a [Mortgage Loan Officer](#)

Get [pre-approved](#) online

[Learn more](#) about home loans at Texas Tech Credit Union

There's no obligation to apply immediately. We're here to answer questions and help you prepare when you're ready.

