BUYER CHECK

$450,000 is within reach in Austin, with about $600 to $870 a month of cushion. Our comfortable target is about $400,000, and $500,000 is the realistic ceiling once Travis County taxes and hail insurance are stressed.

READY TO SHOP (RANGE)

$400,000

THE NUMBERS

COMFORTABLE TARGET

$400,000

where we suggest you shop

MATH CEILING

$500,000 to $533,000

range from stressed-to-base insurance and property tax

EXPECTED RATE RANGE

6.325% to 6.575%

affordability solved at 6.450%

MONTHLY AT COMFORTABLE TARGET

$2,853/mo

P&I, taxes, insurance, PMI. About $4,155/mo at the ceiling, $4,017/mo in the stressed case

WHAT YOU TOLD US

These are the numbers we ran the analysis on. If anything looks off, re-run your Buyer Check with the corrected value.

Monthly gross income (pre-tax)	**$12,000/mo**
Monthly debts (car, student loans, cards)	**$1,000/mo**
Down payment	**$100,000**
Credit score range	**740-779**
Location	**Austin, TX**
Property type	**Single-family**
Loan term	**30 years**
First-time buyer	**No**

WHAT THIS MEANS IN PRACTICE

On $12,000 monthly gross income with $1,000 in non-mortgage debts, the 43 percent back-end DTI cap puts your maximum monthly housing payment at $4,160. That has to cover principal, interest, property taxes, homeowner's insurance, and PMI. At the 740-779 tier's expected rate of 6.45 percent on a 30-year fixed with $100,000 down, the math ceiling on purchase price is $533,000. At that price you'd be putting 18.8 percent down, so PMI (about $144/mo) applies until your balance reaches 80 percent of the price.

That ceiling is the absolute math max. It is not the price we suggest you shop at. At $533,000 your monthly housing payment is $4,155 against a $4,160 cap: the entire cushion is $5. Any insurance surprise, property-tax reassessment, or HOA fee on the property eats that cushion immediately. Our comfortable target sits 20 percent below the realistic ceiling, at $400,000. There your total monthly housing is about $2,853, which keeps about $1,307 a month of cushion. A $450,000 home, the figure you asked about, sits between the two: monthly housing of about $3,288, leaving about $872 of

cushion.

Texas matters here. Property tax in Travis County and the MUD-served suburbs often runs well above the 1.80 percent state-average default we use, and hail exposure can push insurance above the 1.10 percent default for older composition-shingle roofs. We re-ran the math with stressed assumptions (2.34 percent property tax for MUD exposure, 1.26 percent insurance for hail exposure) and the ceiling drops to $500,000. That is the realistic ceiling for a Travis County MUD-served property; the $533,000 figure assumes more typical county rates. Even with the stressed rates, a $450,000 home comes to about $3,553 a month, still leaving about $607 of cushion. Verify the specific county rate and any MUD/PID assessments on the seller's disclosure before you settle on a price.

At $450,000 with $100,000 down, your loan-to-value is 77.8 percent, below the 80 percent PMI threshold, so the price you asked about does not need PMI. The $144/mo PMI in the ceiling math only applies above $500,000 with your down payment. That margin also gives you room for Texas's annual property-tax reassessment. After closing, apply for the school-district homestead exemption with your county appraisal district; it lowers your assessed value, and it does not apply automatically.

Rate range rationale: 740-779 credit tier on a conventional 30-year fixed in Texas. The Freddie Mac 30-year average on this report's date is 6.50 percent, and your tier typically prices slightly below it, so we solved affordability at 6.45 percent. A 780+ score would price about 0.07 percent lower and add about $6,000 to the math ceiling; the comfortable target moves less because it is set by cushion, not rate.

COST BREAKDOWN ASSUMPTIONS (ACTUAL VALUES USED)

Freddie Mac PMMS 30-year average, week of Jun 4, 2026	**6.500%**
Affordability rate	**6.450% (the market average adjusted for your credit tier)**
Property tax rate	**1.80% / yr ($9,600/yr at $533,000)**
Stressed property tax (MUD/PID assessments and county variance)	**2.34% / yr (drives max down toward $500,000)**
Homeowners insurance (TX adjusted)	**1.10% / yr ($5,868/yr at $533,000)**
Stressed insurance (hail premium and roof-age exposure)	**1.26% / yr (drives max down toward $500,000)**

PMI rate (credit-tier adjusted)	**0.40% / yr of loan ($144/mo at the ceiling)**
Soonest PMI cancellation request	**month 17 of the loan**
DTI cap	**43% back-end**

PRE-APPROVAL PREP CHECKLIST

- Two most recent pay stubs (must show year-to-date earnings)
- Two years of W-2s, plus tax returns if you have any self-employment or 1099 income
- Two months of bank statements for every account on the application (including investment accounts you'd use for the down payment)
- Government-issued ID and Social Security number
- A letter of explanation for any credit inquiries in the last 90 days
- Source-of-funds documentation for the $100K down payment (gift letters if any of it is a gift, and statements showing the funds have been in your account at least two months)
- Texas-specific: ask the seller for the MUD/PID disclosure on any property in a post-2010 Austin-area subdivision. The tax line on the listing may not include MUD assessments
- After closing, apply for the Texas school-district homestead exemption with the county appraisal district. It does NOT apply automatically

LENDER CATEGORIES WORTH EXPLORING

- Credit unions. Often have lower origination fees than big banks; membership rules vary, and several Austin-area credit unions have open eligibility
- Online direct lenders. Fast turnaround and competitive rates at 740+ credit, but customer service varies if something goes wrong; a good fit when your file is clean and standard
- Local Austin-area community banks. Often offer relationship pricing and know which Travis County MUDs are still adding subdivisions (relevant for new construction)

- Mortgage brokers. Useful if you want quotes from several wholesale lenders at once; mortgage inquiries within a short shopping window are generally counted as one for your credit score

CAUTIONS

- Texas reassesses property taxes annually. If you buy in a rising market, your year-2 property tax can climb 5 to 10 percent over your year-1 estimate. The 1.80 percent state-average rate we use is a midpoint; budget for upward drift.
- Many newer Austin neighborhoods (post-2010 developments in Travis, Williamson, and Hays counties) sit inside Municipal Utility Districts (MUDs) or Public Improvement Districts (PIDs) that add 0.5 to 1.5 percent on top of county property tax. The seller's disclosure must list MUD/PID taxes; if it doesn't, ask the title company directly before signing.
- Hail exposure: Texas leads the country in roof-replacement insurance claims. Premiums are tied to roof age and material, and a composition-shingle roof older than 10 years can push the premium well above the 1.10 percent state-average default we use.
- There is no Texas state transfer tax. Title insurance premiums are set by the state; by custom the seller usually pays for the owner's policy and you pay for the lender's policy, but your contract decides. Confirm who pays what before closing. Title costs aren't included in the monthly housing math.
- After closing, apply for the Texas school-district homestead exemption with the county appraisal district. It's the single biggest property-tax lever for a primary residence in Texas, and it does NOT apply automatically. Confirm the current exemption amount with the appraisal district, since the state has raised it several times.
- At the $450,000 price you asked about, with $100,000 down, your loan-to-value is 77.8 percent. No PMI required. The $144/mo PMI line in the ceiling math only applies above $500,000.
- The rate range is based on the 740-779 credit tier (6.45 percent). A 780+ score would price about 0.07 percent lower and add about $6,000 to the math ceiling; a score below 740 would price about 0.17 percent higher and take about $11,000 off it.

> *Affordability estimates assume a 43% back-end DTI cap. Your specific lender's underwriting may differ. Program details and amounts change, so confirm them with the program before you rely on them. We are not your lender or financial advisor. Treat this as one input among several.*