



First Time Home Buying

Shopping For Your Home



Today's Agenda

1

How to get started

2

Working with your lender

3

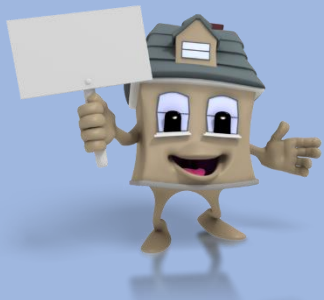
Using a Realtor

4

Today's home market

5

Takeaways



To Buy, or Not to Buy?

QUESTIONABLE REASONS

- “I’m tired of paying my landlord’s mortgage”
- “Owning a home will slash my tax bill”
- “I don’t want to miss out on a hot market”
- “Owning a home is the American dream”

GOOD REASONS

- “I value being a homeowner over being a renter”.
- “I don’t plan on moving for the next 5-7 years”
- “I have run all the numbers and owning will be a better option than renting”



Considerations

Years Staying

Stability

Healthy Credit

Preparation

Ownership Costs



Additional Home Ownership Expenses

Taxes

Property Taxes

Insurance

Homeowner's Insurance

HOA

Homeowner's Association Dues

PMI/MIP

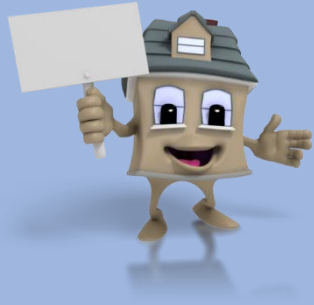
Private Mortgage Insurance/Mortgage Insurance Premium

Repairs

Repairs & Maintenance

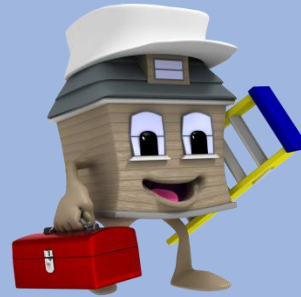
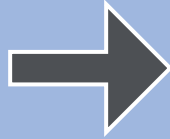


Working With Your Lender



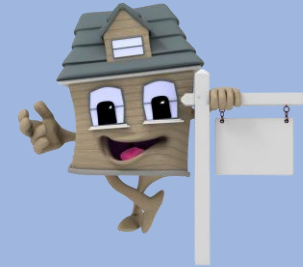
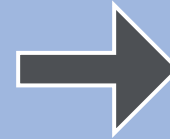
**Get
Prequalified!**

What you can afford,
payment information
and what you need to
start.



**Simple and
Quick**

Application, credit
check and income
review.



**Prequalification
Letter**

Focus on homes in
your range and
enable quicker
buying decision.

Your Down Payment

Current Assets

- From existing savings
- Sell big ticket items

From Your Investments

- Loans from your IRA/401K
- Selling other investments

Gifts

- From family members
- Gifts of equity

Non-Profit Agencies

- NeighborImpact or Housing Works
- Matched savings plans

Your Credit Score

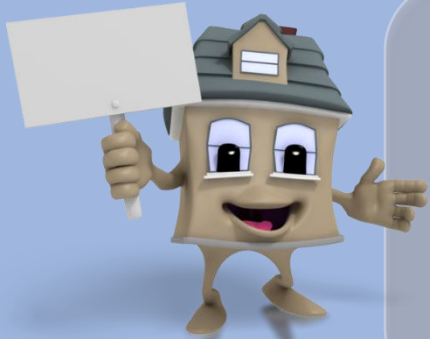


- Take care of any issues before looking for a home
- Scores are calculated using many different pieces of data in your credit report.
- There are five categories: payment history (35%) and amounts owed (30%) are the most important

15%
Length of
Credit
History

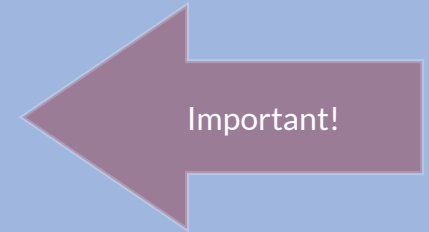


Debt to Income Ratio



What is it?

- Debt payments divided by monthly income before taxes & deductions
- The amount of debt includes all monthly loan payments
- The amount includes a projected home loan payment.



What is a good ratio?

- A safe range for lenders is 10-35%?
- The typical maximum is around 43%, depending on the lender
- Exceptions for over 43% are often made



Question Break?



Common Questions From First Time Homebuyers



How much can I afford?

What are the fees?

If I get qualified for USDA with 0% cash down, are there out of pocket expenses?

These are the more common questions that mortgage lenders get from first time home buyers.

Understanding Terms

- LTV (Loan to Value)
- DTI (Debt to Income)
- Down Payment
- FICO Scores
- Closing Costs, Prepaid Items, PMI
- PITI (Principle, Interest, Taxes and Insurance)
- TRID (Tila Respa Integrated Disclosure)
- LE (Loan Estimate)
- CD (Closing Disclosure)
- Title/Escrow
- Closing Date vs. Funding Date

Financing
Terms

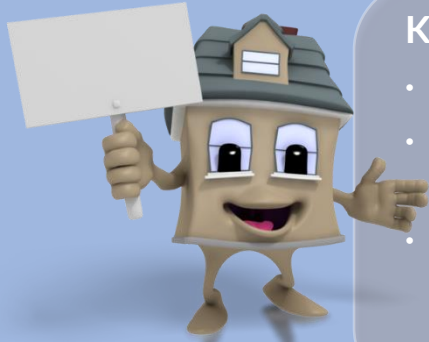
Understanding Loan Programs

- USDA
- FHA
- Conventional
- Veterans Administration
- Other

Financing
Terms

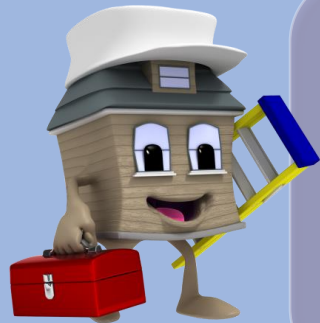
Using a Realtor

A professional, member of National Association of Realtors who represents you!



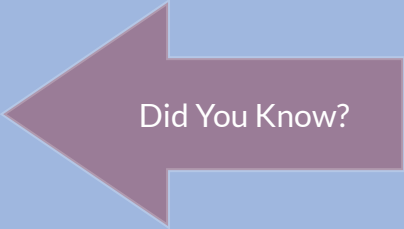
Knowledge

- Realtor knows local market and local laws
- Realtor can provide you with ongoing list of homes that meet your requirements
- Realtor understands nuances of marketplace: Short sale, bank owned, private party sale



Support

- Realtor represents and negotiates for you
- Your realtor can help search the market for desired properties
- They will aid with required paperwork
- Realtor's help you determine any necessary inspections throughout the process



Did You Know?



MidOregon
Credit Union
good friends. great service.®

Buying a Home Today

- Sellers' Market
- Aggressive Environment
- Buying Remotely

Recent First-Time Homebuyer



Trevor Lewis



Takeaways

- Evaluating your buying reasons and understanding additional considerations
- Working with your lender and getting prequalified
- Getting a realtor for their knowledge and support
- Understanding the specifics of today's home market

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Questions?

