

Homeownership & Home Buying

With:

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Helping More People Live Greater

In this workshop, we will learn...

1. The importance of creating and maintaining a **spending plan** prior to home buying.
2. “**The Big 4**” topics to consider for home loan approval.
3. More about **home loan rates & how rates are calculated**.
4. Information about **Down Payment Assistance Programs**.



Let's Get Started



“No home is worth your Financial Freedom”

- “72% Americans report they live “paycheck to paycheck.” - *American Payroll Association & National Endowment for Financial Education*
- The Dream of Homeownership is just that ...**Ownership**



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Top Takeaway



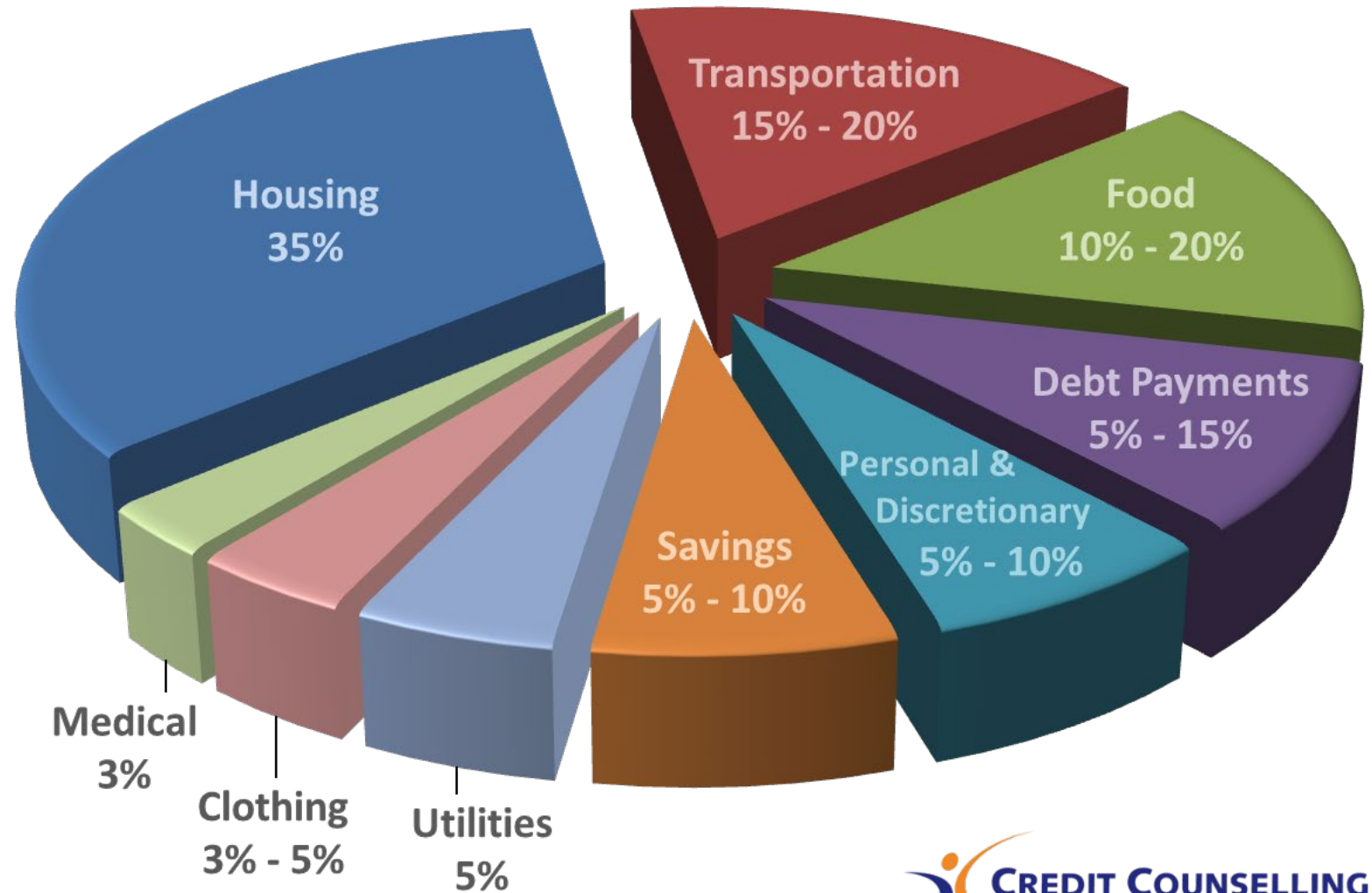
Spending Plans for Home ownership



Calculating Your Expenses

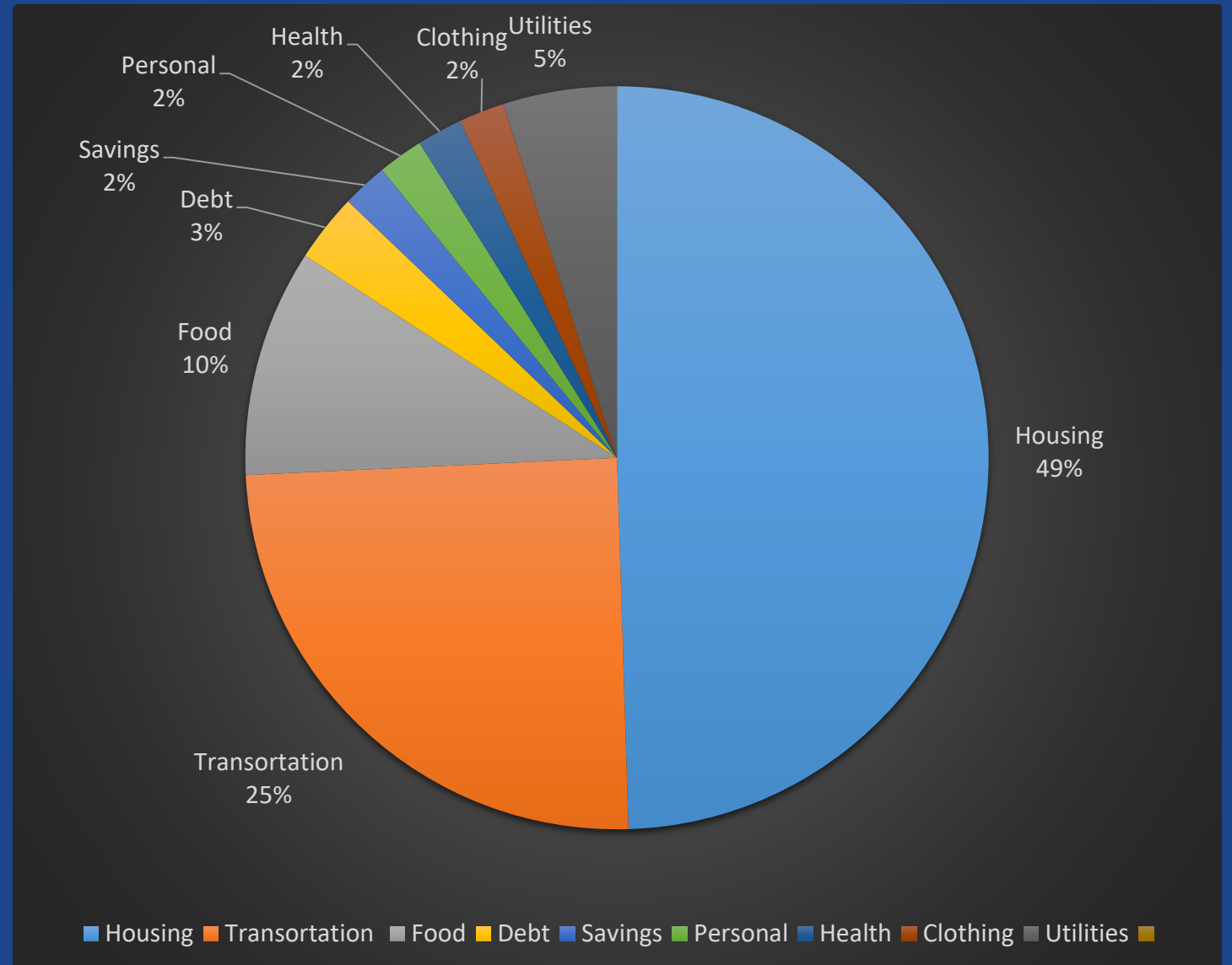
- Recommendations state that housing costs should not be greater than **30%-35%** of an individual's monthly income.
- **True or False:** "My lender wouldn't approve me for it, if I couldn't afford it."
- **FALSE:** Many lenders can approve a home for purchase or rent if the housing cost is up to 50% of that individual's monthly income. It is up to the buyer to determine their true affordability.
- **Know How Much You Can Afford**

The "Category Method" is a detailed look at what "Credit Counseling Society" has recommended individuals costs should be at.



A Look at “Today’s” Cost

- **Today’s costs are increasing.** Confirm your affordability by revisiting your **Spending Plan**.
- Many individuals find their transportation costs now around **15%-25%** of their monthly income.
- **Remember:**
 - **Know How Much You Can Afford**
 - It is up to the **buyer** to determine their true affordability. Lenders can approve a home for purchase or rent if the housing cost is up to **50%** of that individuals monthly income.
 - Keep Housing Under **35%** of monthly income.



Questions?



“The Big 4”

“What is a lender looking for?”

Understanding “The Big 4”

The major factors for determining loan approval.

1. Credit (FICO) Score

- *“Why is my credit score ‘different’?”*

2. Debt to (DTI) Ratio

3. Loan to Value (LTV) Ratio

4. Reserves & Asset Information

Credit
Score
(FICO)

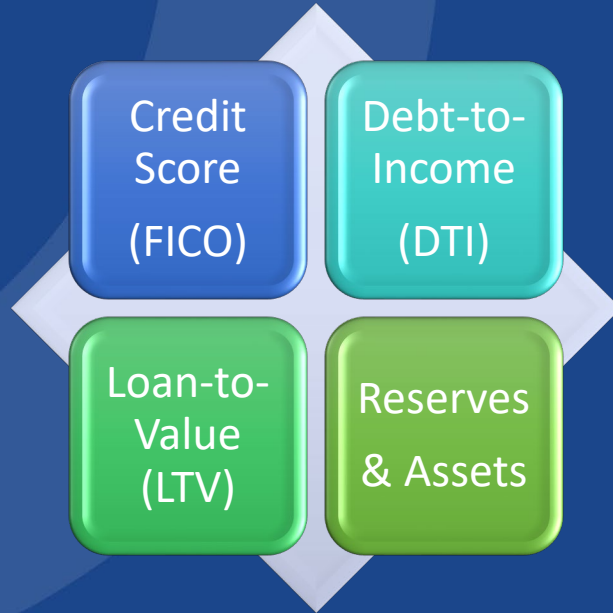
Debt-to-
Income
(DTI)

Loan-to-
Value
(LTV)

Reserves
& Assets

The one question consumers ask...

“What is your interest rate?”



Understanding **Individual Rate Determination**

- **“The Big 4”**
 - What affects rates?
 - How are rates advertised?
 - What does **“locking in a rate”** mean?
 - How is my interest rate determined as a borrower?
 - “What would **my** interest rate be for **this** loan.”

Rate Determination



Questions?



Types of Products

Ask your lender to walk you through options that fit your individual needs.

- Fixed Rate
- Adjustable-Rate Mortgage (ARM)

Conventional



- FHA
- VA
- USDA

Government



Jumbo

- Jumbo
- Land



Questions?



Down Payment Assistance Can Make the Difference

- Almost everyone who purchases a home will generally need to make a **down payment**.
- A down payment is a cash percentage of the home's final purchase price—which can typically range from **3% to 20%**.

(The more you can get together for a down payment the better).

- To take advantage of programs, you'll have.
Amount of cash rewarded will vary depending on the organization
 - Some **eligibility requirements**
 - Income
 - Credit

Down Payment Assistance



Types of Down Payment Assistance

Down payment assistance programs come in all shapes and sizes, but they **not** one-size-fits-all.

Here's what you need to know about assistance options available to Nevada residents.



Grants

- Unlike mortgage loans, **grants don't need to be repaid**. (Think of them as gift).
- *Some eligibility requirements*
- **Certain conditions** to receive them.



Low-Interest Loans

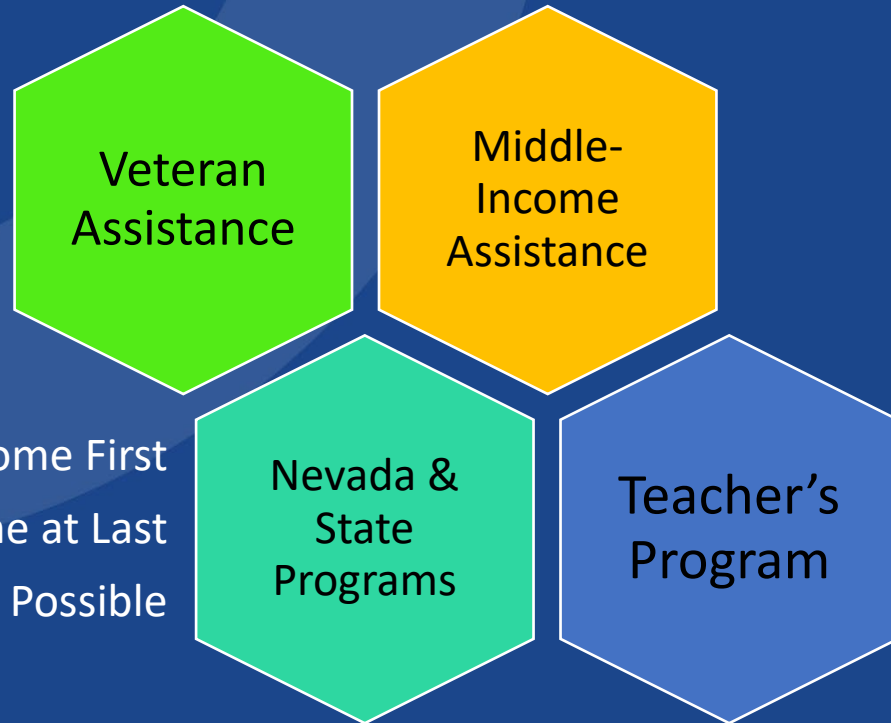
- Low-interest loans are home loans with **lower-than-average interest rates** that deliver the benefit of a **low monthly payment**.
- After a set number of years—usually 30, **but up to 20**—lenders will **forgive** these loans entirely.
- If you move out before the forgiveness period ends, you may need to pay back some or all of the loan.



Zero-Interest, Deferred Payment Loans

- **Postponing** your **loan payment** without worrying about accrued interest could give you some much-needed financial wiggle room.
- Most **deferred-payment loans** may never be forgiven, so you'll need to repay them if you decide to move.

Loans, grants and more are available through the federal government, state or local housing authorities and nonprofits.



Down Payment Assistance Programs



Ask your lender about options best for you!



Questions?



Thank you for allowing us to help you **Live Greater!**

Don't let your financial wellbeing journey end here.

Use the camera application on your phone to scan the QR code to access these [Financial Tools & Tips](#)



Free Financial Coaching

- **Call: 1-855-468-1481** - free and private hotline for personalized financial coaching sessions.
- *Offered in other languages*

Explore

- For a more flexible learning style, browse for more tools to meet your learning style such as podcasts, videos and articles!

Calculators

- Spending Plan/Budget Calculators
- Mortgage Payment Calculators



When You Find a Home, So Do They

According to the National Institute to End Homelessness, over 8,600 Nevadans experience homelessness on any given day.

Nevada Ranks 10th for people experiencing homelessness per 10,000 people in the general population for all states, Washington D.C., and territories in 2023 according to the [National Alliance to End Homelessness](#).

Our Keys to Greater program donates a portion of the revenue from every mortgage or refinance to community organizations that address homelessness.



NORTHERN NEVADA
DREAMCENTER



Keys to Greater



Since the program began in 2021, \$200,299 have been donated.



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