

Home
Buying
Seminar
will begin
at noon.

Please:

- ▶ Turn off your video
- ▶ Mute your microphone if you joined with computer audio
- ▶ Mute your telephone if you joined via telephone
- ▶ We'll begin shortly! Thank you!



greensboromcu.org



Home Buying
with Kristin Howerton

Today's Session:



Beginning your homebuying journey



Budgeting for success



All about down payments, costs, and fees



How your credit and debt can affect your mortgage



Is pre-approval important?

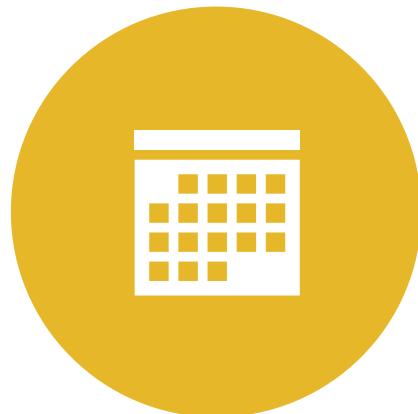


What does a GMFCU Mortgage look like?

Beginning Your Homebuying Journey



Know where you want
to look

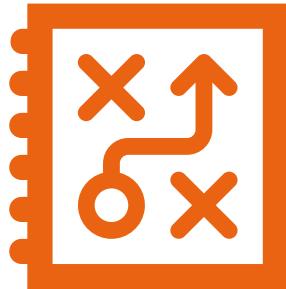


List out your “must-
haves”



What can you afford?

Budgeting for Success

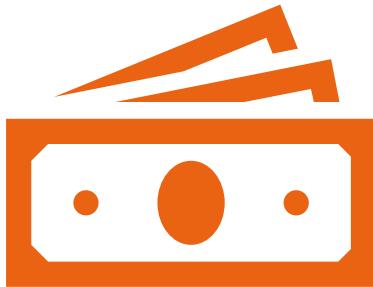


It's a plan...



...to achieve your goals!

Why budget?



Keep you from
overspending



Focuses your search to find
the best fit for you

Down Payments

- ▶ Impacts:
 - ▶ Type of mortgage you qualify for
 - ▶ How much a lender will give you
 - ▶ Terms & conditions of the loan
- ▶ We accept:
 - ▶ Money located in a traditional savings, checking, money market, retirement account, or 401k
 - ▶ Gift funds from an **immediate** family member (mother, father, sister, brother, etc.)

Down Payments

- ▶ Loan-to-Value (LTV) is the amount of the loan versus the value of the house
 - ▶ This helps lenders determine what to charge for interest and monthly payments
- ▶ Down payment helps determine your LTV Ratio—the more you put down, the better your LTV is!
- ▶ 20% is ideal, but most people are able to only put down 5% on their mortgage
 - ▶ Larger down payments can mean lower interest rates, lower monthly payments, and could help you avoid Private Mortgage Insurance!

Costs & Fees Associated with Mortgages

- ▶ Earnest Money – a “security deposit” to show you’re serious
- ▶ Inspection Fees – helps find any hidden issues on the property
- ▶ Down Payment – keeps your LTV down
- ▶ Closing Costs – the cost to do business
 - ▶ Appraisal Fees
 - ▶ Title Fees
 - ▶ Attorney Fees
 - ▶ Underwriting Fees
 - ▶ Property Taxes
 - ▶ Homeowners & Mortgage Insurance
 - ▶ Avg. \$3,600-\$3,700

How Can Your Credit Score Affect Your Mortgage?

- ▶ Lenders look at your credit to determine risk, interest rate, and monthly payments
- ▶ We look for at least a 620 credit score
- ▶ If you have delinquencies, charge-offs, or bankruptcies, it will impact your mortgage
- ▶ Clean up your credit before applying for a mortgage to get the best possible experience

How Can Your Debt- to-Income Ratio (DTI) Affect Your Mortgage?

- ▶ Your DTI is the amount of debt you currently owe versus the amount of income you have coming in
- ▶ Lenders look at your DTI to determine risk, interest rate, and monthly payments
- ▶ To calculate, divide your total minimum monthly payments by your monthly gross income (before taxes)
 - ▶ Example: you make \$40k per year, or \$3,333.33 per month before taxes. You have \$1,175 in monthly payments. $\$1,175/\$3,333 = 0.35$, or 35% DTI
- ▶ We look for 44% or less DTI

Is Pre-Approval Important?



YES!

- ▶ Pre-approval lets realtors know you are serious about buying a house and can quickly make an offer
- ▶ Our pre-approvals last for 120 days

What does a GMFCU Mortgage Look Like?

- ▶ We participate in the following programs
 - ▶ Fannie Mae Mortgage (5% down traditional or 3% down with income limit)
 - ▶ USDA Mortgages (rural properties, income limits)
 - ▶ Down Payment Assistance Programs for City of Greensboro and City of High Point

What does a GMFCU Mortgage Look Like?

- ▶ Local service you'll love!
 - ▶ GMFCU will always be your point of contact and payment
 - ▶ Easy payments in branch, online, or through automatic draft
 - ▶ No hidden origination fees—just the cost to do the loan

Thank you!



Questions? Please contact

Kristin Howerton

khowerton@greensboromcu.org

336-676-6398

Helpful Links

www.greensboromcu.org/mortgage-loans

More information and apply now