THANK YOU FOR JOINING US!

THIS EVENT WILL BEGIN SHORTLY

WWW.SANPABLOEDC.ORG
YOUR PATHWAY TO HOMEOWNERSHIP

THE INTRODUCTION OF AFFORDABLE HOUSING PROGRAMS WITH BMO

WWW.SANPABLOEDC.ORG
This webinar is being recorded. A recording will be available on our website www.sanpabloedc.org.

Any resources mentioned during the presentation will also be available on our website.

All attendees are muted and cameras are turned off.

If you are having issues with audio you may need to click on the webinar screen to enable audio.

We welcome your questions! Please type them in the Q&A box. We will answer them at the end of the webinar if time permits.
ABOUT SAN PABLO EDC

The mission of San Pablo Economic Development Corporation is to act as the catalyst for equitable economic opportunity.

PROGRAMS AND SERVICES

To support advancement, we focus on:

• Employment training and support
• Business resources and access to capital
• Homeownership

LEARN MORE ON OUR WEBSITE: WWW.SANPABLOEDC.ORG
THANK YOU TO OUR PARTNER

Emma Bigge
Vice President, Community & Homeownership Advancement

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WISH (Workforce Initiative Subsidy for Homeownership)

Federal Home Loan Bank of San Francisco's

Funds available on a first-come, first-served basis with a fully executed purchase contract. Subject to availability of funds.

Funds are awarded as a 4-to-1 match ($7,250 maximum contribution from buyer)

No payments due. 20% is forgiven for ever year you reside in the property; after 5 years 100% of grant is forgiven

Up to $29,000 in Down Payment/Closing Costs Assistance

WISH funds may only be used toward down payment or reasonable and customary closing costs in association with the purchase of a housing unit to be used as the primary residence of the homebuyer

PROGRAM HIGHLIGHTS
WISH (Workforce Initiative Subsidy for Homeownership)

Federal Home Loan Bank of San Francisco's

**QUALIFYING CRITERIA**

- Family income must not exceed 80% of the HUD Income Limits for Oakland-Fremont CA HUD Metro FMR Area
- Borrower must be a first-time homebuyer
- Borrower must occupy the property as primary residence
- Borrower must complete 8 hours of HUD-approved first-time homebuyer education
- Debt to housing expense ratio must not exceed 35% of gross household income
- Single-family detached homes, condominiums, and town homes are eligible
SPLASH Program Overview

- San Pablo Loan Assistance for Sustainable Housing
- Utilizing San Pablo Housing Successor Agency (HSA) funding

What is the mission?

- To help low-income individuals become first-time homebuyers in the City of San Pablo
What’s Different about SPLASH?

- **Loan Type:** The loans made through the SPLASH Program will be deferred payment (also known as “silent second”) loans.

- **Loan Amount:** SPLASH is a shared appreciation loan (SAL) with a 15-year term for up to 20% of the purchase price of the home not to exceed $100,000.

- **Loan Interest:** The greater of: (a) shared appreciation; or (b) three percent (3%) per annum simple interest.

- **Prepayment:** Borrower may prepay the loan at any time without penalty.

- **Loan Length/Term:** Up to 30 years.
QUALIFYING CRITERIA

First-Time Homebuyers: SPLASH is intended for qualified low-income first-time homebuyers seeking to purchase a home in the jurisdictional boundaries of the City of San Pablo (no exceptions).

Borrower Eligibility: Borrower and Borrower’s household must meet income requirements (and must agree to continuously occupy the property as his/her principal residence).

Down Payment: Borrower must provide a minimum of 3.5% of the sales price as a down payment.

Use of Funds: Loan funds may only be used for downpayment assistance or non-recurring closing costs.

Priority to: First-responders and teachers and veterans.
Interest and Eligibility Form:  https://tinyurl.com/FTHB-Form
Next Webinar

Selección de su agente de bienes raíces y equipo de seguros

November 14th - 5:00 – 6:00 PM

https://tinyurl.com/Nov-14th
THANK YOU FOR JOINING US!

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Q & A

For more webinars, please visit:
WWW.SANPABLOEDC.ORG
Purchase a home and receive down payment assistance up to $16,000*

At BMO, we are committed to supporting our communities by introducing our “Welcome Home Grants”. This program offers up to $16,000† for down payment and closing cost assistance for qualified borrowers financing purchases in the designated Low or Moderate Census Tracts, Majority Minority Census Tracts and to buyers who identify as a Minority. Homebuyers may be able to combine these grants with additional down payment assistance options that may be available in their area.†

With the help of these programs, you can contribute as little as $1,000 from your own funds.

Conventional or FHA financing available.

Program also eligible for DACA∆ recipients.

BMO’s MMCT Grant up to $6,500† + BMO’s Minority Grant up to $6,500† + BMO’s LMI/LMCT Grant up to $3,000† = Layered together up to $16,000 in down payment assistance.*

Emma Bigge
VP Community Lending & Diverse Markets
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*BMO offers affordable mortgage programs and works with government and community organizations that offer down payment and closing cost assistance. The availability and amount of down payment and closing cost assistance varies based on income and property location. *Down payment assistance up to $16,000 is made possible through the following programs:

† BMO offers grant money of up to $13,000 ($6,500 to Minority Borrowers and $6,500 to Borrowers in Majority Minority Census Tracts) purchasing a primary residence, not to exceed 3% of the Purchase Price with a minimum of $3,500, in select counties in AZ, CA, IL, IN, MN, MO, and WI. Separately, BMO offers up to $3,000 grant to borrowers purchasing or refinancing a primary residence in a low- or moderate-income census tract in designated counties in AZ, CA, CO, FL, IA, ID, IL, KS, MN, MO, ND, NE, NM, NV, OK, OR, SD, TX, UT, WA, WI and WY. Income and property restrictions apply. BMO’s Welcome Home Grant Program may be subject to other applicable restrictions. Applications must be received between August 1, 2023, and January 31, 2024. Additional down payment assistance options may be available. Contact a banker for details.

∆ DACA refers to Deferred Action for Childhood Arrivals program.

Banking products and services are subject to bank and credit approval. BMO Bank N.A. Member FDIC

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Whether you are thinking about purchasing a new home, have already started the home-buying process or are refinancing, here are some important things to remember:

**Loan approval**
In general, when evaluating your loan application, banks will look at your financial situation (income, assets and liabilities) and your credit history to determine if you qualify for the loan amount and program you’re seeking. This process is called underwriting. To do this, banks get documentation from you that shows your financial situation, and your credit report is reviewed.

**Changes to your financial situation**
Even a small change to your financial situation could impact your qualification for the loan amount or loan program you’re seeking. Some examples of these changes include:

- Changing jobs
- Changing bank accounts or transferring money between your existing bank accounts
- Making deposits to your bank accounts other than deposits associated with your employment.
- Applying for new credit of any kind, including “You have been pre-approved” credit card invitations.
- Having your credit checked by a potential creditor or lender
- Closing credit card accounts or having your credit card limit increased
- Charging a large amount on existing credit cards or taking on any additional debt
- Co-signing for a loan
- Buying any other property

**Credit history**
Your credit history is important. Banks look at your credit score and your account histories with your creditors. Your loan approval could be at risk with a missed or late payment. Before, during and after the mortgage loan process, please be sure to:

- Stay current with your payments on all accounts — such as mortgages, utilities, car loans and credit cards
- Make payments on all your accounts on or before the due dates

**Financial records**
Banks are required to document your current financial situation and any recent changes that may have occurred. Please keep copies of information, such as your recent paycheck stubs, any credit card or loan statements showing that an account has been paid off and deposit receipts from non-payroll deposits.

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Please call me if you have any questions. I am here to help you move through the mortgage loan process.

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BMO Home Lending
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Conventional mortgage + no PMI = Homebuying made affordable
Get lower monthly payments with as little as $1,000 from borrower contributed funds.

BMO Neighborhood Home Loan Product\(^1\) may offer what you need:

- **Private Mortgage Insurance (PMI) not required**
- As little as **3% down payment** with $1,000 from borrower contributed funds
- **Closing cost assistance** may be available\(^2\)
- **Down payment assistance** may be available from $1,000 to $10,000\(^3\)
- **$495 application deposit required**\(^4\)
- Homeowners looking to refinance may also be eligible for this product

\(^1\) Neighborhood Home Loan Product may be subject to other applicable restrictions and is available for borrowers buying or refinancing properties located in low to moderate income census tracts in select counties in AZ, FL, IL, IN, KS, MN, MO and WI.

\(^2\) Under the BMO’s Welcome Home Grant Program, $2,200 in grant money is available for borrowers’ buying properties located in moderate income census tracts and $2,000 for borrowers refinancing properties in select counties in AZ, FL, IL, IN, KS, MN, MO and WI. $3,500 in grant money is available for homeowners’ buying properties located in majority minority census tracts in select counties in IL and $13,000 in grant money for select counties in AZ. Grant can only be applied to the purchase of a primary residence. BMO’s Welcome Home Grant Program may be subject to other applicable restrictions. Availability and amount of assistance may be subject to income limitations, property location, and other restrictions.

\(^3\) BMO offers affordable mortgage programs and works with government and community organizations that offer down payment and closing cost assistance. The availability and amount of down payment and closing cost assistance varies based on income and property location.

\(^4\) $495 deposit due upon application. The deposit will be applied to closing costs if application is approved. If the application is not approved, any unused portion up until the appraisal will be refunded. If the appraisal has been ordered, a refund will not apply.

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Mortgages
Opening Poll: Why do you want to purchase a home?

Choose your top reason for wanting to purchase a home:

Why do you want to purchase a home?

A. To raise a family
B. To have a permanent address
C. To provide security for the future
D. To move upward in life
E. To create wealth or increase my assets
Workshop Goals

In this workshop, you will...

1. Learn about common types of mortgages and how they are obtained.
2. Identify common costs associated with mortgages.
3. Explore special financing products and resources to assist with buying a home.
What is a Mortgage?

A mortgage is a loan used to purchase a property. Borrowers repay the lender over a number of years.
Common Mortgage Costs

**Mortgage**: A loan against a property that the homeowner pays back over a number of years. Monthly payments include the following:

- **Principal**: The original amount borrowed
- **Interest**: The additional price paid to borrow money
- **Property Taxes**: Paid to local governments for municipal services
- **Homeowner’s Insurance**: A policy to protect against damage to the home

**Down Payment**: The borrower’s own funds used to purchase a home.

**Private Mortgage Insurance**: Insurance that protects lenders from loss if borrowers don’t make their mortgage payments.

**Discount Points or Mortgage Points**: A fee paid to the lender when the loan is first granted to help lower the interest rate for the term of the loan.

**Fees**: Other fees, such as appraisal, title insurance, attorney, and bank fees.
How to Prepare for a Mortgage

1. Make a budget
2. Get your credit score
3. Collect documents
4. Calculate home affordability
5. Research mortgage companies
6. Get prequalified/preapproved
Types of Mortgages: Your Options

- Fixed-rate mortgage
- Adjustable-rate mortgage
## Comparing Fixed-Rate Mortgage Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Details</th>
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<tbody>
<tr>
<td><strong>15-Year Mortgage</strong></td>
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<tr>
<td>Principal</td>
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<tr>
<td>Interest Rate</td>
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<td>Monthly Principal and Interest</td>
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<tr>
<td>Total Interest Paid after 15 Years</td>
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<tr>
<td><strong>Total Amount Paid after 15 Years:</strong></td>
<td><strong>$137,699</strong></td>
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<tr>
<td><strong>30-Year Mortgage</strong></td>
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<td>Principal</td>
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<tr>
<td>Interest Rate</td>
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<tr>
<td>Monthly Principal and Interest</td>
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<tr>
<td>Total Interest Paid after 30 Years</td>
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<tr>
<td><strong>Total Amount Paid after 30 Years:</strong></td>
<td><strong>$193,256</strong></td>
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Getting a Mortgage: Mortgage Lenders

- Banks
- Credit unions
- Savings and loan associations
- Mortgage bankers
- Mortgage brokers
Getting a Mortgage: Government Agencies

Federal agencies

State or local housing finance agencies
Getting a Mortgage: Homebuyer Assistance Programs

- Federal Housing Administration (FHA) insured loans
- Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) loans
- Department of Veterans Affairs (VA) insured loans: No down payment or private mortgage insurance premium requirements
- United States Department of Agriculture (USDA) Rural Development Housing Service: No down payment required
- Down Payment Assistance: Grants and loans
Getting a Mortgage: Building Readiness

Step 1: Monitor and improve your credit score:
- Get your credit score from http://www.myfico.com for a small fee or from https://www.vantagescore.com for free.

Step 2: Aim to save up to 20% of the home’s value that you can apply toward your down payment.

Step 3: Compare all costs.

Step 4: Find a lender you can trust.
Mortgage Application Process

1. **Prequalification or Preapproval**: A process in which the lender reviews your financial information and credit history to determine what kind of loan you may qualify for and how much you can borrow.

2. **Loan Estimates**: A process in which the lender reviews the sale price of the home you want to buy and all lender-related fees, and then prepares a loan offer.

3. **Evaluating Loan Offers**: A process in which you compare loan options from lenders before deciding which to choose.

4. **Settlement**: A process in which you choose a loan and sign paperwork to receive it.
Comparing Mortgage Offers

You have put in an application for a home that’s selling for $100,000. With which loan will you pay the least amount of money in total?

<table>
<thead>
<tr>
<th>Loan 1</th>
<th>Loan 2</th>
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</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>Interest Rate</td>
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<tr>
<td>4%</td>
<td>5.4%</td>
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<tr>
<td>Fees</td>
<td>Fees</td>
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<tr>
<td>$200</td>
<td>$350</td>
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<tr>
<td>20% Down Payment</td>
<td>3.5% Down Payment</td>
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<tr>
<td>$20,000</td>
<td>$3,500</td>
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<tr>
<td>Total Borrowed</td>
<td>Total Borrowed</td>
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<td>$80,000</td>
<td>$96,500</td>
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<td>Term</td>
<td>Term</td>
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<td>30 Years</td>
<td>15 Years</td>
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<tr>
<td><strong>Total Paid</strong></td>
<td><strong>Total Paid</strong></td>
</tr>
<tr>
<td><strong>$157,696</strong></td>
<td><strong>$144,857</strong></td>
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Summary

In this workshop, you learned...

1. The common types of mortgages and how they are obtained.
2. What common costs are associated with mortgages.
3. How to explore special financing products and resources to assist with buying a home.