



THANK YOU FOR JOINING US!

THIS EVENT WILL BEGIN SHORTLY

WWW.SANPABLOEDC.ORG



UNLOCKING HOMEOWNERSHIP

PROCESS, PITFALL
AVOIDANCE,
MORTGAGES AND
CREDIT REPAIR

WWW.SANPABLOEDC.ORG



HOUSEKEEPING ITEMS

- 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.
- 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.

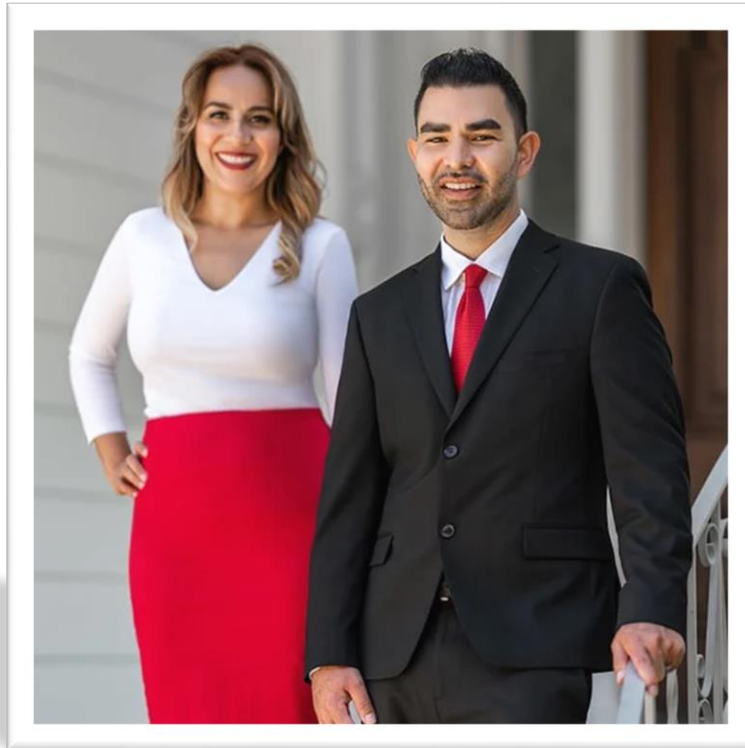
PROGRAMS AND SERVICES

To support advancement, we focus on:

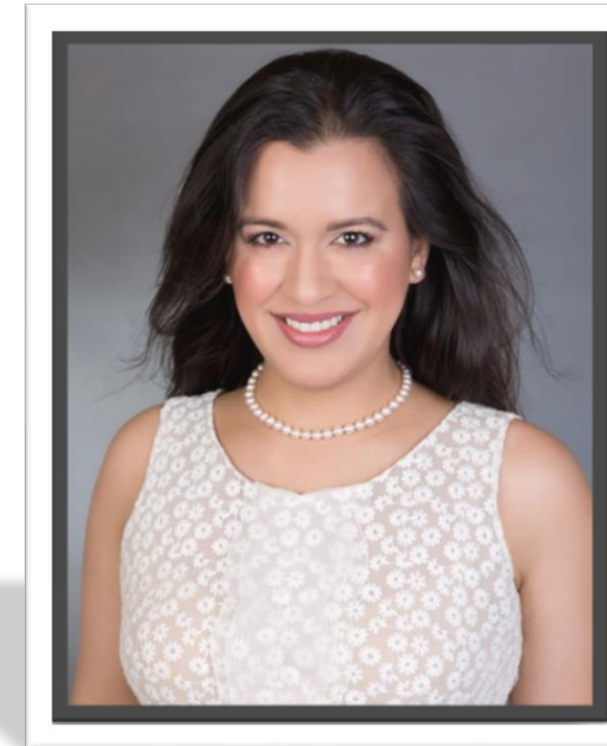
- Employment training and support
- Homeownership
- Business resources and access to capital

LEARN MORE ON OUR WEBSITE: WWW.SANPABLOEDC.ORG

THANK YOU TO OUR PARTNERS



MV Rod
TEAM



Golden Sun Realty
& Loans, Inc.



Unlocking Home Ownership

Created By: MVRodTeam

Get Started

www.mvrod.com

2024

Marco & Vanessa



We both bring together more than 35 years of experience in Real Estate.

We are committed to helping individuals and families find the confidence to buy their new home or sell their property to move on to their new goals.

The MVRod Team

- We have spent the last 20 years helping more than 650 clients realize their dreams as buyers, sellers, and even investors.
- Like our customers, we live here, raise our family here, and share in the growth of our community.
- Our mission is to provide you with a pleasant and transparent experience



- *Long-Term financial benefits of homeownership*
- *The emotional and psychological advantage of having a place to call your own.*

Step # 1

The Importance of Homeownership



- *Determining a realistic budget for homeownership.*
- *Exploring mortgage pre-approval and advantages in the home buying process*

Step # 2

Understanding your Financial Readiness



Navigating the Homebuying Process

Overview of the entire homebuyer process, from pre-approval to closing

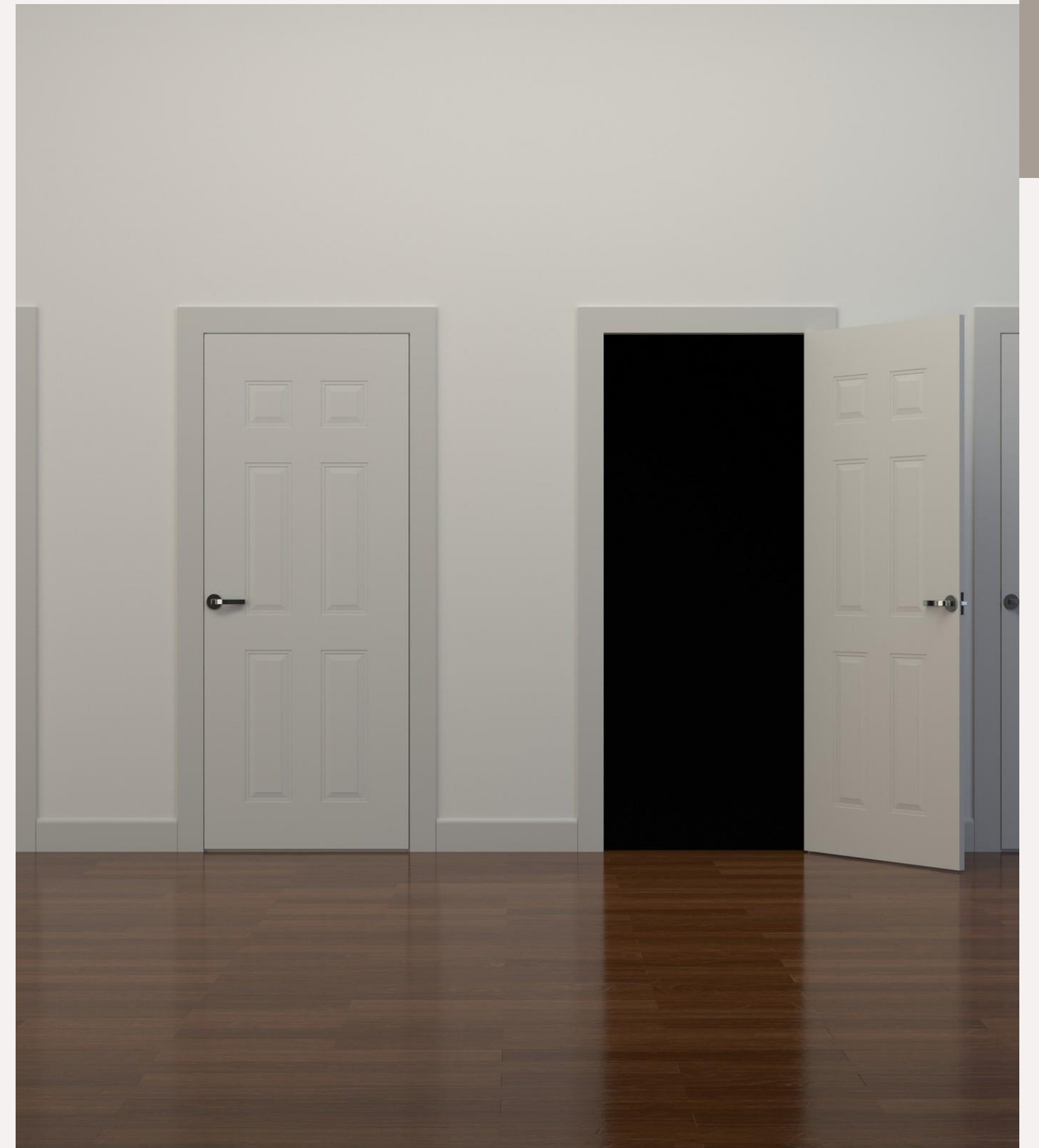
Importance of hiring a real estate agent and their role process

Pitfalls to Avoid

Common mistakes made by first-time homebuyers

Understanding the risks of “overextending” yourself financially

Recognizing red flags in property inspections





Choosing the Right Home:

- Bedrooms
- Bath (s)
- Backyard size
- Office Space

- *Defining your priorities in a home*
- *Tips for evaluating neighborhoods and considering future growth*

Legal and Contractual Aspects

- *Understanding contracts and legal documents in the homebuying process.*
- *Overview of potential legal pitfalls and how to avoid them*



Contact Us

For further information and detail



www.mvrod.com



510. 375. 3172

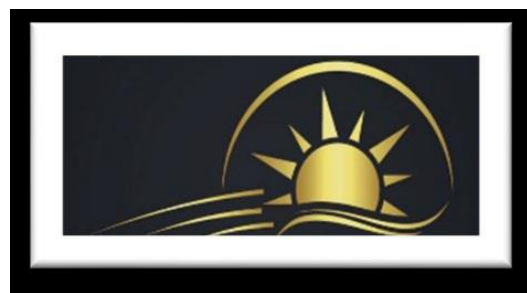


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MVRod
TEAM



Golden Sun Realty & Loans, Inc.



Unlocking Homeownership

Credit Repair and Mortgages

Haslankar ('Jas') Lopez

Broker Associate | Mortgage Lender

January 22, 2024

Introduction



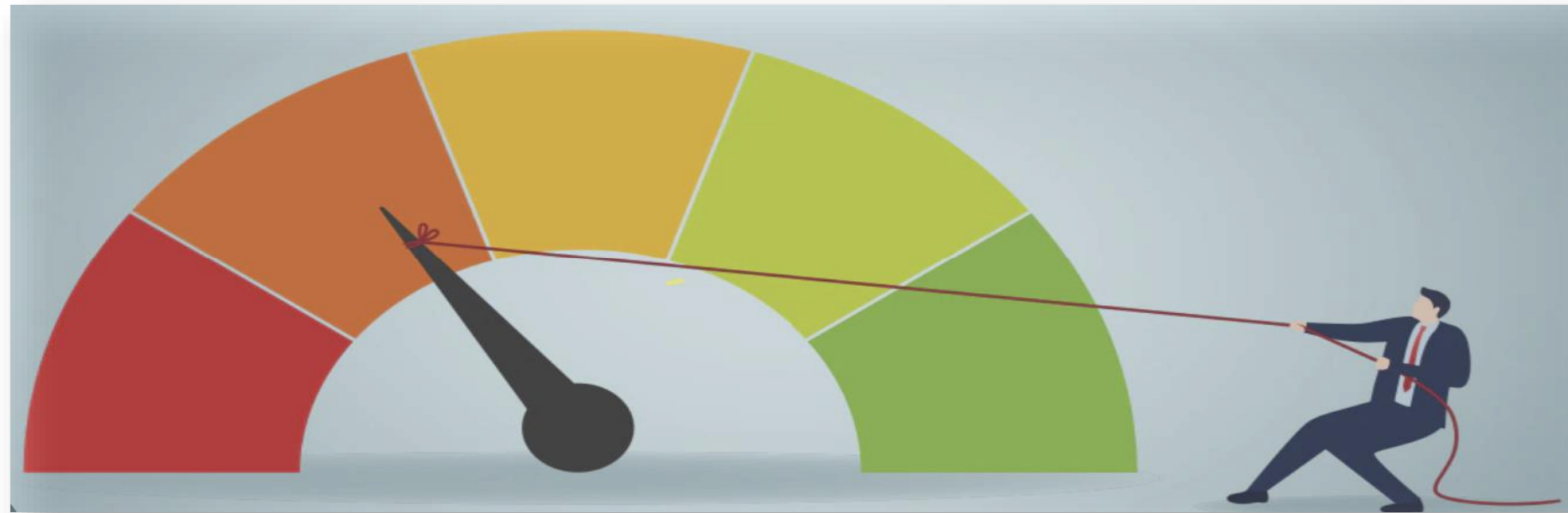
- Bachelors of Science in Managerial Economics
 - University of California, Davis
- Real Estate Broker (10+ years of Experience)
 - Licensed with the Department of Real Estate | BRE: 01974366
 - National Mortgage Licensing System | NMLS: 1593935
- Notary Public License
- Certified Residential Underwriter (CRU) Certificate & Designation (expected 2024)

What is Credit (Scores range from 300 to 850).

- Creditors use credit to measure a consumer's ability to **responsibly** repay a debt as agreed by all the parties.
- Your FICO score is a numerical representation of the odds that a consumer will default 90 days or more on a credit card or loan.
- Credit scores are weighted based on “score cards”



Why Do You Need Good Credit



Lower Interest Rates

Better Financing Terms

Better Approval Rates

Negotiating Power

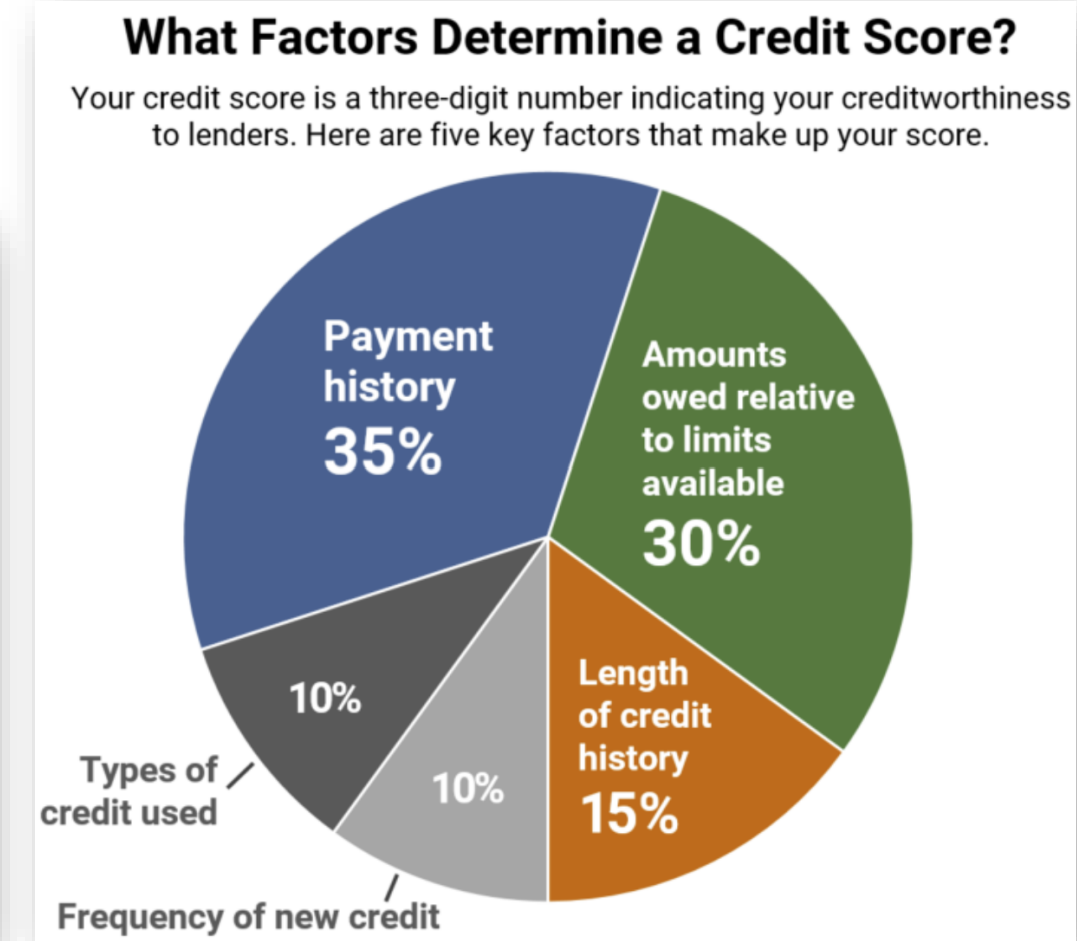
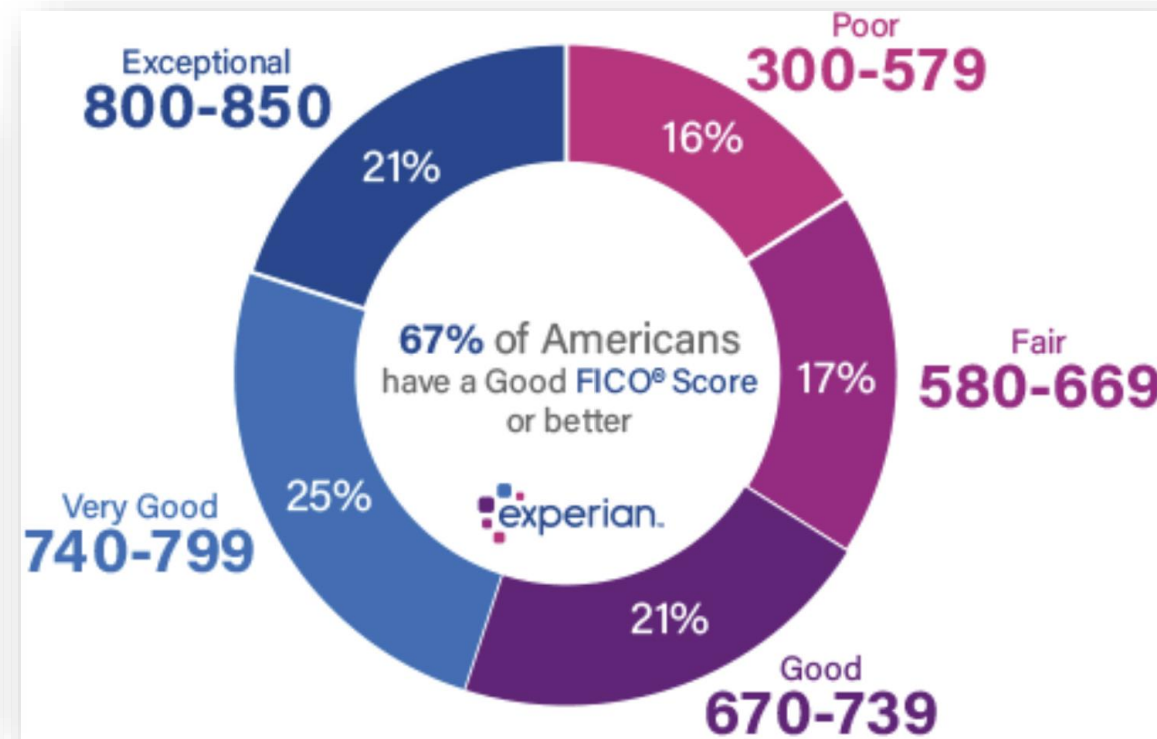
More Housing Opportunities

Mortgage Insurance Discount

How Lenders Look at Credit & How Credit is Weighed

- The odds of you defaulting for 3 months or more
- For every loan funded to 47 consumers with a credit score between 620 – 679, on average, 1 will default

Fico	Odds
800+	1,485 to 1
720 - 799	659 to 1
680 - 719	112 to 1
620 - 679	47 to 1
Below 620	15 to 1



How Credit Impacts Consumers?

Loan Parameters	
Loan Product Type	Conventional 30-Year Fixed
Purchase Price	\$700,000
Down Payment	\$21,000 or 3%
Loan Amount	\$679,000
Primary Residence	Yes

Savings Scenario					
Borrower	Fico	Interest Rate	Principal & Interest	Mortgage Insurance	Total Payment
Amy	750	7.804%	\$4,890	\$170	\$5,060
John	620	7.804%	\$4,890	\$883	\$5,773
				Difference	(\$713)

Total Savings with Higher Credit			
Years	Moethly Savings	No. Months	Total Savings
Year 1	\$ 713.00	12	\$ 8,556.00
Year 10	\$ 713.00	120	\$ 85,560.00
Year 30	\$ 713.00	360	\$ 256,680.00

Legalities of Credit

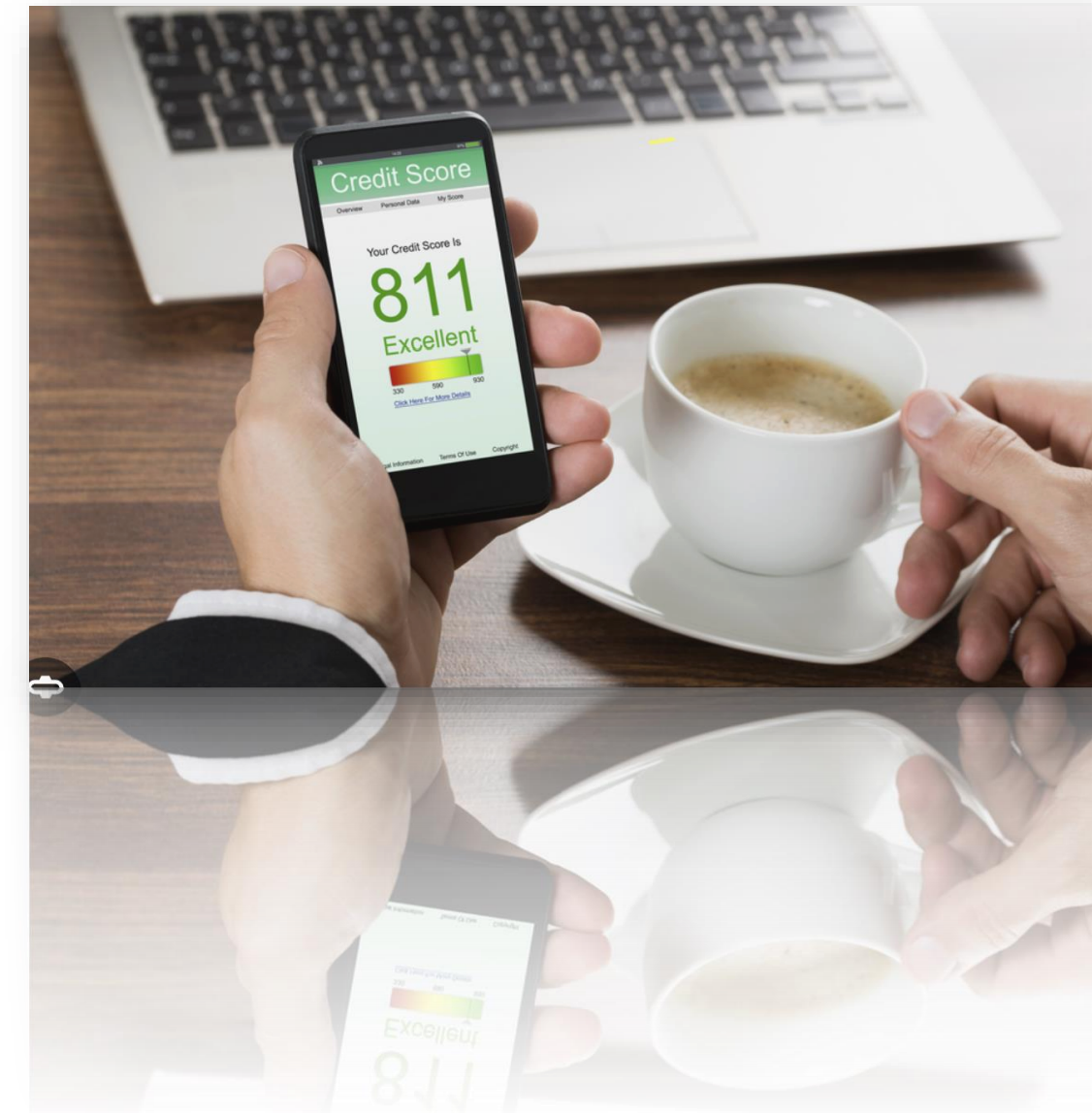
- Misconception that credit inquiries cannot be removed or deleted
- Credit repair is legal in all 50 states
- Request your Report through USPS mail **only**
- The Electronic Online System for Correct and Accurate Reporting was created by bureau (E-OSCAR)
- Credit bureaus are private enterprises
- They make money by information going in and going out
- Why your score varies from one bureau to the next

Tips to Raise Your Credit

General Rules of Thumb	Getting 800+ Credit Score
Paying down balances	Past 3 years: open accounts need to be active, no more than 3-5 credit cards
Request a credit limit increase	Past 7 years: No late payments (mortgages, credit cards, collections, charge-offs, etc.)
Distribute balances across	Past 10 years: No bankruptcies or foreclosures
Pay down student loan balances	Credit card utilization should be 30% or less
Use old credit cards	All installment loan balances should be well below the beginning balance
Avoid opening new credit cards	Show stability by having only 1 or 2 addresses and only 1 form of your name listed on your credit report
Set-up automatic payments	Do not share your credit cards with anyone except if you are married
Stay away from finance companies	No co-signing on a loan, credit card, auto financing, or any other financial obligation

Credit Repair: Getting Late Payments, Collections, and Charge-Off Errors Removed from Records

- Order your credit report directly from the bureaus once a year
- First look at general information
 - No more than one name on your account
 - No more than 1-2 addresses
- Was your late payment reported correctly
 - Look at the date, balance, and account number
- If you have collections
 - Make sure the account number belongs to you
 - Look at the last reporting date with the creditor
 - If the collection has been paid, you may dispute
- Is the charge-off accurate
 - Did you pay the original credit



Credit Repair Summary

- What is a FICO and how it is calculated
- Importance of having good credit for buying a home
- Tips for improving credit score
- How to go about removing lates, collections and charge-off errors from your credit report

Getting Started: Loan Pre-Approval

- Getting Pre-Approved
 - Fill out a loan application
 - Must show a 2-year employment history
- Documentation
 - 1 month of paystubs
 - 2 years of tax returns
 - 2 years of W2s or 1099s
 - 2 most recent bank statements
- Hard Credit Pull
 - To obtain an accurate loan estimate, you will need your credit pulled by the lender
 - You typically have 14 to 45 days to shop for a mortgage with different lenders

Loan Programs: Conventional, FHA & USDA

Conventional	FHA	USDA
<p>Pros</p> <ul style="list-style-type: none"> • Higher Loan Limits • No Mortgage Insurance With 20% Down Pmt • Flexible Terms Fixed-Rate vs ARM 15-year or 30-Year Term 	<p>Pros</p> <ul style="list-style-type: none"> • Lower Down Payment 3.5% Down Pmt • Easier Qualification Lower Credit Score Reqts Higher DTI Ratios Allowed 	<p>Pros</p> <ul style="list-style-type: none"> • No Down Payment Req • Lower Interest Rates • No Mortgage Insurance • Flexible Credit Reqts
<p>Cons</p> <ul style="list-style-type: none"> • Higher Down Pmt 5% + • Higher Credit & Income Req • PMI Req with Lower Down Pmt 	<p>Cons</p> <ul style="list-style-type: none"> • MI for the Life of the Loan • Lower Borrowing Limits • Strict Property Reqts 	<p>Cons</p> <ul style="list-style-type: none"> • Strict Income Limits Entire Household Income Req • Location Restrictions • Funding Availability/Processing

CalPLUS Conventional & CalPLUS FHA with ZIP

CalPLUS Conventional with Zero Interest Program (ZIP)

CalPLUS FHA with Zero Interest Program (ZIP)

First mortgage up to 97% LTV

First mortgage up to 96.5% LTV

MyHome = Down payment assistance **only** (1% simple interest rate, payments can be differed)
 $\$700k * 0.03\% = \$21k$ | 1% of $\$21k = \$210/\text{year}$

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ZIP = 2% or 3% of first mortgage loan amount (closing costs only), no interest.
Better pricing!

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Assistance can't be used to pay off borrower debt

Assistance can't be used to pay off borrower debt

No cash back to borrower from ZIP funds

No cash back to borrower from ZIP funds

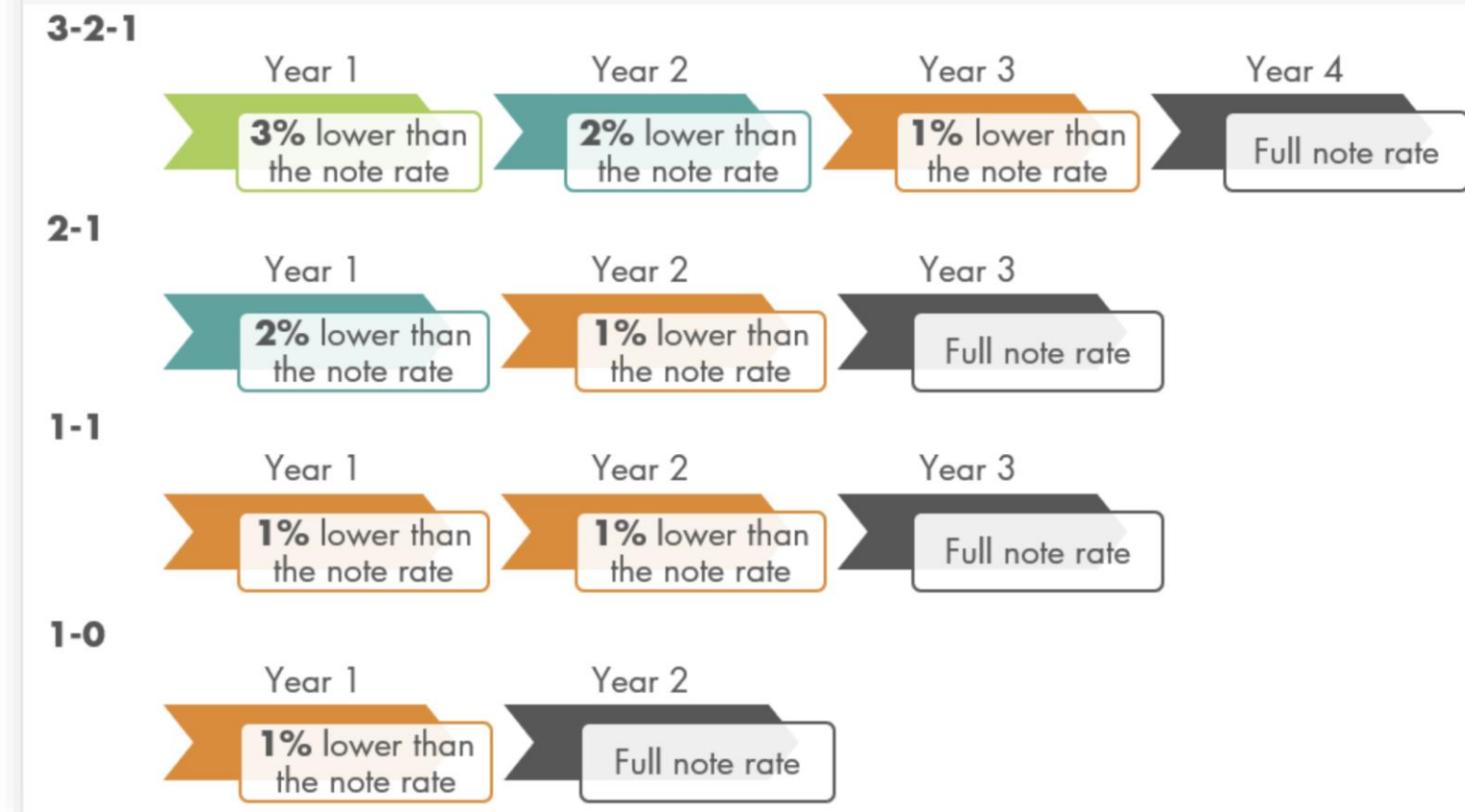
First time homebuyer only, home education program required

First time homebuyer only, home education program required

Mortgage Rate Buydown Options

Loan amount	\$675,500
Purchase Price	\$700,000
Interest Rate (Annual)	6.500%
Loan period in years	30
PMI Rate Factor:	0.83%
Estimated Escrow Amount (Annually):	\$0.00
Number of payments per year	12
Monthly Payment	\$4,736.84
Total Payments	360
Buydown Type:	2-1 Buydown
Buydown Option (LLPA or Seller Concessions?):	Seller Concessions

BUYDOWN OPTIONS



2-1 BUY DOWN						
	Buydown Rate	Note Rate Payment	Buydown Payment	Monthly Savings	# of Payments	Annual Savings / Buydown Cost
Year 1	4.500%	\$4,736.84	\$3,889.88	\$846.96	12	\$10,163.52
Year 2	5.500%	\$4,736.84	\$4,302.63	\$434.21	12	\$5,210.52
2-1 Buydown Total Cost						\$15,374.04
Concession Required (Based on Purchase Price)						2.196%

Dream for All: Shared Appreciation

- First time home buyer
- Meet first generation buyer definition
- All occupants must reside in the property
- Repayment capped at 2.5x
- Program available March/April

Example 2:

20% Shared Appreciation Loan

Scenario: Borrower AMI is above 80% AMI and up to CalHFA Income Limits

\$500,000 (A) Original sales price or original appraisal, whichever is less
x 0.20 20% of the sales price

\$100,000 (B) Shared Appreciation Loan

At time of sale, refinance or other transfer new value is \$700,000

\$700,000 (C) New Value
\$200,000 Appreciation (C - A)
x 0.20 20% of the Appreciation

= \$40,000 (D)

Borrower owes:

\$100,000 Original Shared Appreciation loan (B)
+ \$40,000 Program Share of Appreciation (D)

\$140,000 Total (B + D)

Example 3:

20% Shared Appreciation Loan

Criteria: Borrower AMI is under and up to 80% AMI

\$400,000 (A) Original sales price or original appraisal, whichever is less
x 0.20 20% of the sales price

= \$80,000 (B) Shared Appreciation Loan

At time of sale, refinance or other transfer, new value is \$600,000

\$600,000 (C) New Value
\$200,000 Appreciation (C - A)
x 0.20 20% of the sales price

= \$40,000 (D)
x 0.75 Factor for program share of appreciation

= \$30,000 (E) Program Share Of Appreciation

Borrower owes:

\$80,000 Original loan (B)
+ \$30,000 Program Share of Appreciation (E)

= \$110,000 Total owed to program on sale

Summary of Loan Programs

- Conventional, FHA & USDA
- CalPLUS Conventional & CalPLUS FHA
- Mortgage Rate Buy Downs
- Dream For All: Shared Equity Program

Keep in Touch

- Link to my website: [Zip \(zipforhome.com\)](http://zipforhome.com)
- Email: jhaslopez@gmail.com
- Direct phone number: (925) 705-2740

Resources

- [CalHFA Dream For All Share Appreciation Loan Program Handbook](#)
- [Frequently Asked Questions About CalHFA Government Loan Programs](#)
- [California Dream For All Shared Appreciation Loan Program Income Limits](#)
- **ONLINE:** [eHome's eight-hour Homebuyer Education and Counseling](#) course is the only online course accepted by CalHFA. (fee: \$99) Other online courses like Frameworks and HomeView are not acceptable because they do not provide a one-hour, 1-on-1 counseling follow-up session.
- To request your free credit report from all three credit bureaus at the same time, use the following address:

Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

Thank you!



THANK YOU FOR JOINING US!



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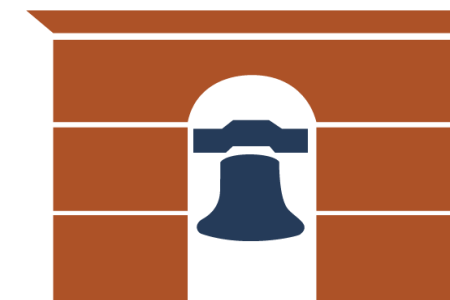
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