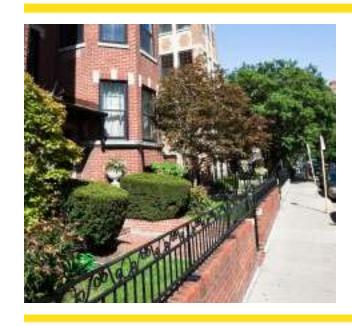
#### First Time Home Buyer

#### WORKSHOP



Beat The Drums My People Share How To Information



Presented by:

**Warren Davis** 773.426.2896

### Super Agent

- Warren & LaShawn Both eXp Realtors
- Host of ChicagoHousingExpo.com
- Warren Real Estate Hook Up
  - Lender for 10 years
  - Realtor for 10 years
  - Positively Impact Black Home Ownership
  - THE CATCH

### Black People In US

- Google "black home ownership"
- Most not buying till 40's 50's 60's
- We are our Biggest Problem
- We don't share!



- Trust Issues Everything is a Scam
- Common Sense is our Teacher

#### What IF?

- You looked up and Black People inconspicuously Shifted from lowest to highest percentage of Homeowners
- Imagine this country if Black People actually began to get their shit together.
- Do Your Part Reap The Benefits of KARMA
- Beat Our Drum's

#### **This Work Shop**

- Current State of Real Estate Market & Terminology
- Roles of the various players in a Home Purchase
- Pre-Approval Prop Search Offer Closing
- Good Credit Our Nemesis
- Getting Started

#### Current State of Real Estate Market & Terminology

- Buyers vs. Sellers Market
- Mortgage Bad vs. Good
- Interest Rate
- Down Payment Assistance (DPA)
- Closing Costs
- COMPS
- HUD Settlement Statement

#### Roles of the various players in a Home Purchase

- Realtor 2.5%
- Mortgage Lender 1.5 2%
  - Loan Officer, Processor, Underwriter
- Home Inspector \$400 \$700 or more
  - Not Required by Most Lenders
- Attorney \$500 \$700 \$1,000
  - Protect your asset Extensions (Home Inspection)
- Insurance Agent

- Loan Application
- Residential Mortgage Bad vs. Good NOT
- Interest Rate Around 3% for most everyone
- Down Payment Assistance (DPA)
- Closing Costs

- Two basic types of Loans –
  FHA (3.5%)/VA (0%) & Conventional (5%)
- Loan Amount Debt To Income (DTI)
  - Debt: Loans, Leases, Revolving Debt
  - Income: Federal Tax Returns
- Max Loan FHA 55% Conv 45% of Gross Income

- Search Criteria
  - Location
  - Monthly Payment
  - Time on Market
  - Room Sizes, Finishes, Garage etc.
  - Viewings

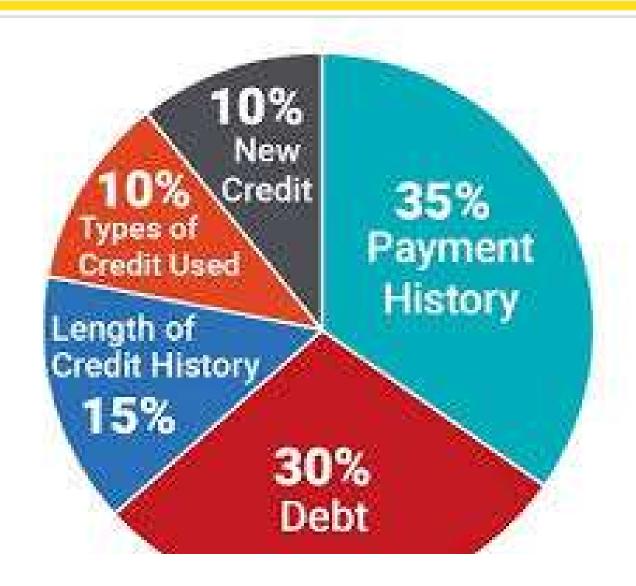
- Making an Offer
  - Standard Contract Paper Work 7.0 (most current)
  - Time on Market (brand new on market vs weeks to months old)
  - Multiple Offer Situations
    - Highest and Best Blind COMPS (Value)

- Accepted offer Under Contract Contingent - CTG/PEND
   Attorney Review - A/I (Don't Miss Dates)
- Deliver Earnest Money (Takes property off the market)
- Start Loan Process
- Schedule Home Inspection
  - Go thru report generate punch list

- Work with Loan Officer and/or Processor to provide and keep providing all documents and explanations requested
- After we come to terms from inspection appraisal is ordered
- Underwriter approves file with conditions or denies file
- Provide requested conditions get
  "Clear To Close"
  Schedule Closing & Final Walk-thru

- Credit Bureaus Transunion, Experian, Equifax
  - Blindly Captures Credit Data for a fee
- Fair Isaac Cheap & Expensive Algorithms that Produce Actual Score
- Credit Reporting Agencies Generate scores and report on data using cheap or expensive algorithms!
  - 3 scores High, Middle, Low
- 640, 580, 645 **Mid Score is** 640

- Credit Cards Most potent financial instrument relative to your score. Only one happy with Zero Balance
- Loans & Leases close when zero/paid off. Most points go out the window once closed.
- Typically, Lower the balance Higher the score



- How to Establish Credit
- Two types of Credit Cards
  - Secured and Un-Secured
    - Weigh the same on points
- How to Repair Credit

## **Next Steps**

- Consultation
- If good and if not good (plan to correct)

- How you lose me:
  - Poor Communication
  - Am I there yet ? You don't honor Catch Agreement

#### **Q & A**

## QUESTIONS?

