

# First Time Home Buyer

## WORKSHOP



*Beat The Drums My People  
Share How To Information*



Presented by:

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# 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

My  
Personal  
Opinion

# 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

# **Pre-Approval** – Search – Offer – Contract – A/I – U/W - CTC-Close

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

# Pre-Approval – Search – Offer – Contract – A/I – U/W - CTC-Close

- 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**

# Pre-Approval – **Search** – Offer – Contract – A/I – U/W - CTC-Close

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- Search Criteria

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

# Pre-Approval – Search – Offer – Contract – A/I – U/W - CTC-Close

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- 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)

# Pre-Approval – Search – Offer – **Contract / A/I** – U/W - CTC-Close

- 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

# Pre-Approval – Search – Offer – Contract / A/I – U/W - CTC-Close

- 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

- 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

- 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

# CREDIT



# CREDIT

- 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?

