



*First-Time  
Home Buyers*

Don't Make These  
Costly Mistakes!

# Table of Contents

The Team	03
Customer Review	04
What are the steps to homeownership?	05
Mistake #1 Ignoring the first-time homebuyer Grant or Bond	06
Example of Down payment assistance program	07
FHA VS Conventional	08
What you can use for down payment and closing costs	09
Buyers Eligibility Based on Underwriters Review	10
FHA VS Conventional	11
What you can use for down payment and closing cost	12
Required Documents	13
Loan Do's and Don'ts	14
Understanding Credit	15
How long does negative credit stay on your report?	16
Credit Repair Program	17
My Message	18





# The Team



**Maureen Powell**  
Branch Manager



**Dwight Fantroy**  
Processor



**Michelle Garcia**  
Loan Officer Assistant



**Brandon Rivas**  
Spanish Speaking Loan Officer



# Customer Reviews



**Maureen Does Home Loans**



March 25 at 8:15 AM · 🌐

5.0 star review received on [Experience.com](#) for Maureen Powell by Stephan M S - Overall knowledge and customer service was on point. The communication was great. I loved the app and how it kept us informed of where we were during the different stages of the loan process. Also once we found a home we had less than 25 days to close and not once did Maureen and her team sweat. They stayed ahead the whole time. Thank you very much!



**Maureen Does Home Loans**



April 12 at 10:52 AM · 🌐

5.0 star review received on [Experience.com](#) for Maureen Powell by Vicente F A J - Your customer service and keeping constant communication with us was vital in the process. Thank you very much.



**Maureen Does Home Loans**



March 15 · 🌐

5.0 star review received on [Experience.com](#) for Maureen Powell by Maureen C - Maureen always takes care of every thing and you never have to check behind her. She works extremely hard and extremely pleasant to work with. She is very responsive.



# What Are The Steps To Homeownership?

1. Come to this class to learn Mortgage basics

2. Pre-Approval with your Mortgage Lender

- Application
- Pre-approval

3. House Hunt with your Realtor

- Search & Find
- Offer & Negotiate
- Home Inspection & Condo Review
- Finalize Financing
- Move in

# Mistake #1

## Ignoring the First-Time Home Buyer Incentive Program

### What is a First Time Home Buyer Grant?

- TSAHC and TDHCA - 620, 55% DTI, and 80% Median Income
- SETH - 640, 50% DTI, and 80% Median Income
- In House Program - 640, 50% DTI, Unlimited income
- Can be Forgiven AFTER 36 Months/or repayable for the life of the loan

\*\*\*All Programs require you to complete a Homebuyer Education Course\*\*\*





## Here's an example

Michelle wants to buy a home:

Purchase price of a new home - \$300,000

Minimum Down Payment (...%) - \$10,500

FHA upfront MI cost (1.75%) Total Loan Amount - \$294,566

Incentive (..) - \$14,728

\*Total down payment covered by incentive with \$4,728 left for closing cost



# Types of Home Loans



- Conventional - 680 Credit / DTI 50%
  - FHA - 580 Minimum Credit Score/ DTI 56.99%
  - USDA - 640 Minimum Credit Score/ DTI 43%
  - VA - 600 Minimum Credit Score/ DTI 41%
- \*May vary per lender requirements







## FHA vs Conventional

	FHA	Conventional
<b>Minimum Down Payment</b>	3.5%	3% FT HB 5% Non FT HB
<b>Minimum Credit Score</b>	580	680
<b>Maximum debt-income ratio</b>	57	50
<b>Loan limit for 2023</b>	\$531,200	\$726,200
<b>Income Limit</b>	N/A	N/A
<b>Minimum out-of-pocket contribution</b>	0%	0%



## What You Can Use for Down Payment & Closing Cost

### Monies you CAN Use

- Checking/Savings
- 401K/Retirement Accounts
- Gifts (Documented)
- Stock/Bonds
- Documented Cash
- Cash from Sell of Home and other valuables
- DOCUMENTATION IS REQUIRED!!!!

### Monies you CAN'T Use

- Undocumented Cash
- Loans
- Credit Cards
- Gifts (Undocumented)



## Buyers Eligibility Based on Underwriter's Review

**1: Borrower ability to repay the loan:** Does the employment verification match what's on the application;

- Do they have 2 full years' work history, Is there job history consistence
- Analyze the total income, is there enough income coming in to justify the new debt they are about to intake. Borrowers estimated monthly mortgage payment will be compared with their monthly income and debt.

**2: Your willingness to repay the loan:** In reviewing the borrowers credit the underwriting will review a couple of things.

- Payment history-How you've paid previous loans, rent, utility bills, etc.; your credit report.
- Utilization of credit- are they maxed out on their credit cards- do they have multiple types of credit
- Collections/ Derogatory/ BK/ Foreclosures

**3: The collateral:** The property is pledged by a borrower to protect the interests of the lender. The underwriter turns to the appraisal report for information about the property.

- Did the property appraise for the value on the purchase contract
- Condition of the property- are there any defects

# Notes

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



# Mistake #2

## Not Getting Pre-approved can cost your Dream Home!

# Loan Pre-Qualification Vs Pre-Approval

Pre-Qualification is based on credit qualification and information on the application/ can also mean your loan officer needs additional things to be done so they were only able to give you a qualification and not an approval. Pre-qualification helps you determines whether you can qualify based on credit, and income that you have entered in the application; no real verification is completed at this time. You will know how much you can afford to spend on a home based on these 3 factors that are entered in your application, and credit pulled.

- 1. Your Credit-** your credit scores and what's on your credit
- 2. Your Income-** how much gross income you have coming in vs monthly debts that are on your credit
- 3. Your Assets-** How much money do you currently have

Pre-Pre-approval will take it another step further by verifying everything above through documentation and verifications. This helps you be a stronger buyer and enables you to compete with the market:

- Determine what house you qualify for
- Increase your bargaining power when negotiating with a seller
- Estimate your monthly payment and total investment
- Identify which loan product will fulfill your needs





# Required Documents

Pay stubs for the last 30 days.

W-2s most recent 2 years

Tax returns- 2 years all schedules, and other documentation

Residence history for the past 2 years

Outstanding loans- not on the credit report

2 month's bank statements

Real estate and personal property owned- if you're on the deed you own real estate, need to include taxes and insurance to the Debt-to-Income ratio. Also, may disqualify for being a first home buyer.

Other requested documents, depending on your circumstances: self-employment, corporation owner, VA eligibility, etc.

Bankruptcy Papers- Need discharge and all pages of bankruptcy filing.

Divorce Decrees- filed with the court (all pages)

Child Support Orders- filed with the court (all pages)



## Do's & Don'ts During the Loan Process

### Tips for a Simple Loan Approval

#### Do:

- Call us if you have any questions
- Continue living at your current residence
- Continue paying your mortgage or rent
- Continue to use your credit as normal
- Keep working at your current employer
- Stay current on all existing accounts
- Expect requests for additional documentation throughout the process

#### Don't:

- Make any large purchases
- Change bank accounts or make any large cash deposits
- Transfer balances
- Close any credit card accounts
- Consolidate your debt onto one or two credit cards
- Apply for new credit or take out a new loan or co-sign on a loan
- Max out or overcharge on your credit card accounts

# Notes

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

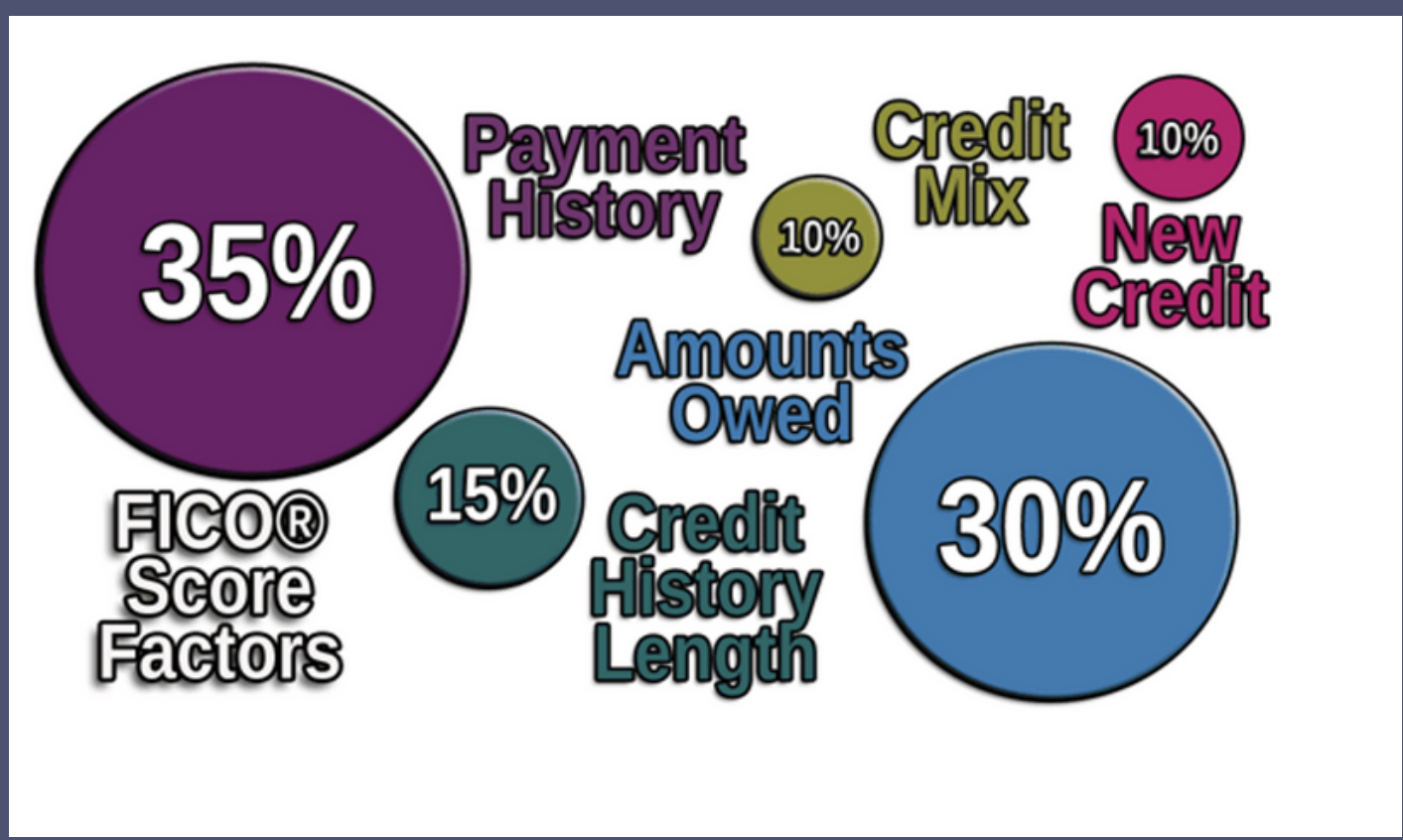
---





# Mistake #3 Not Fixing Your Credit!

## Understanding Credit





## How long can negative credit stay on your report?

### Maximum Time Negative Items Can Stay on Your Credit Report

Item Type	Time on Credit Report
Soft Credit Report Inquiry	No report impact
Hard Credit Report Inquiry	2 years
Delinquent Payment (30 Days+)	7 years
Defaulted Account	7 years
Foreclosure	7 years
Bankruptcy Discharge	7-10 years



# Credit Repair Program

**Free Credit Repair- This is a free credit repair, does not cost you a thing but your time and some stamps.**

Sign up for a Self-Repair Program at no cost, this is a 3-round system, you will receive an email from Houdini, with instructions and a tutorial with links to the letters (please check spam/junk folder). Watch the YouTube tutorial.

Get a copy of your free credit report at [AnnualCreditReport.com](http://AnnualCreditReport.com)

You will need to click on each link of the credit bureaus to open the letters and to start the 45-day time clock. Input your information in the letters and mail them off. Within 45 days you will receive the second-round email, then repeat. All you must do is follow the directions, buy some stamps, mail them off, and repeat. If you have any questions, please feel free to contact us.



# Notes

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



# My Message



*Helping Families achieve their dreams of homeownership is my passion! I've been a loan officer for over 13 years and helped over 1000 families with homeownership. When purchasing a home, you need someone that is knowledgeable & can explain the loan process to you from start to finish. Someone that will help you get the loan that is right for you and your family! My team & I number one goal is making sure you have the best experience through the loan process, and your journey to homeownership!*



Lets chat about your next step to home ownership.  
Book an appointment for a consultation:

[calendly.com/maureendoeshomeloans/30min](https://calendly.com/maureendoeshomeloans/30min)



NMLS 516292

*Maureen*  
DOES HOME LOANS  
...Your Mortgage Lady!

Contact Us



Maureen Powell

[MaureenDoesHomeLoans.com](https://www.MaureenDoesHomeLoans.com)

[calendly.com/maureendoeshomeloans/30min](https://calendly.com/maureendoeshomeloans/30min)

 @maureendoeshomeloans

 @maureendoeshomeloans

 817-300-1601

