PITI PARTY

REAL ESTATE OR DIE



- PLEASE SILENT YOUR PHONES
- RAISE HANDS FOR QUESTIONS
- OPEN YOUR PACKETS
- TAKE NOTES
- HAVE A GOOD TIME

MARKET SNAPSHOT

- RATES HAVE DECREASED FROM 7.0-6.75
- AVERAGE DAYS ON THE MARKET (67)
- WE ARE OFFICIALLY IN A BUYERS MARKET NOW
- 33% OF ALL SALES HAVE OFFERED CONCESSIONS
- INVENTORY IS UP LOCALLY & NATIONWIDE
- BUILDERS HAVE HIGHEST INVENTORY SINCE 2007
- 4.03 MILLION UNITS SOLD IN MAY (NATIONALLY)

PREPARING YOURSELF TO PURCHASE

- YOUR NEXT 5 EASY STEPS
- EDUCATE YOURSELF
- CONTACT A LOAN OFFICER & GET PRE-QUALIFIED
- CONTACT A REAL ESTATE AGENT & BEGIN SHOPPING
- MAKE A OFFER & START THE LOAN PROCESS
- CLOSE & MOVE IN

- □VA Loans (Veterans Affairs)
- 0% down for eligible veterans, active-duty, or certain surviving spouses
 - ✓ No private mortgage insurance (PMI) required
 - Flexible credit standards
 - Must meet service eligibility

- USDA Loans (United States Department of Agriculture)
- ☑ 0% down for homes in eligible **rural** or **suburban** areas
 - ✓ Income caps apply (household income usually below 115% of area median)
 - Property must meet USDA standards
 - Check USDA eligibility maps to verify the address

- 3 CalHFA MyHome Assistance Program (paired with a first mortgage)
- 3%-3.5% down payment assistance (can effectively bring your cash to close close to zero if paired with a grant or gift)
 - ✓ Deferred-payment junior loan for down payment & closing costs
 - For first-time buyers with moderate income
 - Pairs with FHA, VA, USDA, and conventional CalHFA loans
 - Cannot exceed income and purchase price limits set by CalHFA

- GalHFA Forgivable Equity Builder Loan (NEWER)
- Up to 10% of the purchase price for down payment and closing costs
 - Forgivable after 5 years if you stay in the home
 - Zero interest
 - For low-to-moderate-income first-time buyers
 - 👉 Must use a CalHFA first mortgage

- 5 Local City/County DPA Programs
- Many counties and cities offer zero down or near-zero down options with local down payment assistance (DPA) — for example:
 - LA County Home Ownership Program (HOP)
 - City of Oakland's First Time Homebuyer Mortgage
 Assistance
 - San Diego's Affordable Homeownership Program
 - Santa Clara County Empower Homebuyers SCC
 These often include silent second mortgages or
 forgivable loans.

- 6 Lender-Sponsored Zero Down Programs
- Certain banks and credit unions offer "zero down" conventional loans, for example:
- Union Bank's Affordable Housing Loan
- Citi's HomeRun Mortgage
- Bank of America's Community Affordable Loan Solution
 Often targeted to low-to-moderate income buyers in specific census tracts
 - Frame Terms vary; usually no PMI, but sometimes higher rates



Key Considerations

- "Zero down" does **not** mean zero out-of-pocket you'll still pay for appraisal, inspection, closing costs (which sometimes can be covered by seller credit).
 - ✓ Income, credit score, and property eligibility vary across these programs.
 - ✓ You must complete homebuyer education for CalHFA and some other assistance programs.

MEDIAN SALES PRICES

- Median Home Prices
- Single-family homes:
 - Redfin reports a median sale price of \$930,000, up ~2.8% year-over-year
- Zillow Home Value Index (ZHVI) shows an average around \$898,171, with median sale at \$889,833 and list price about \$994,333

MEDIAN SALES PRICES

- Condos & Townhomes
- While LA County-specific condo/townhome stats are scarce, California statewide data shows median condo/townhome prices at approximately \$675,500 in April 2025
- Considering LA County's premium housing market, expect local condo/townhome prices to range between \$600,000-\$800,000, depending on neighborhood, building quality, and amenities.

ROLE OF THE LENDER

- 1 Proof of Income
- Recent pay stubs (usually last 30 days)
- Last 2 years of W-2s or 1099s
- Recent tax returns (especially if self-employed)
- Proof of additional income (side gigs, bonuses, alimony, etc.)
- 2 Proof of Employment
- Employer name, address, and contact
- If self-employed: profit & loss statements and business license

ROLE OF THE LENDER

- Proof of Assets
- Recent bank statements (checking, savings, money market)
- Retirement or investment account statements
- Documentation of any gift funds you'll use for the down payment

ROLE OF THE LENDER

- 4 Credit Information
- The lender will generally pull your credit report
- But be prepared to explain any past credit blemishes, late payments, etc.
- 5 Personal Identification
- Driver's license or state ID
- Social Security card (or immigration documents if applicable)

ROLE OF THE REALTOR

- What Does the Realtor Do After You're Pre-Qualified?
- I. Home Search Guidance
- Helps you define what you truly need vs. want
- Recommends suitable neighborhoods
- Sets up showings and tours
- Provides market data so you know if a property is fairly priced

ROLE OF THE REALTOR

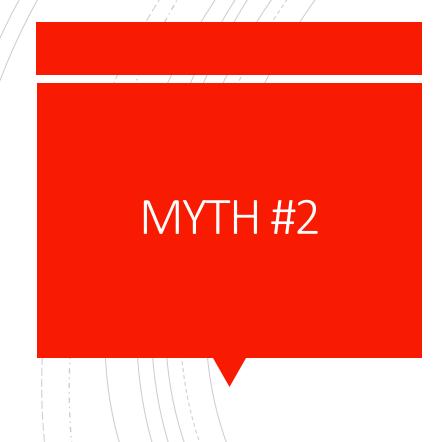
- 2. Writing & Submitting Offers
- Advises you on a fair offer price
- Structures the offer to protect you (contingencies, inspection periods, etc.)
- Presents and negotiates your offer with the seller's agent

ROLE OF THE REALTOR

- 3. Negotiation Support
- Negotiates repairs, credits, or price adjustments
- Handles multiple-offer situations
- Keeps you in contract by protecting timelines and conditions
- 4. Coordinating the Transaction
- Helps schedule inspections, appraisals, and final walkthrough
- Coordinates with your lender and escrow
- Tracks contract deadlines
- Solves last-minute issues

ROLE OF THE REALTOR

- 5. Emotional & Educational Support
- Guides you through questions and anxiety
- Explains complex documents in plain English
- Acts as your advocate all the way to closing
- 6. After Closing
- Provides referrals for contractors or repairs
- Checks in on you after you move in
- Can help you plan for future sales or investment

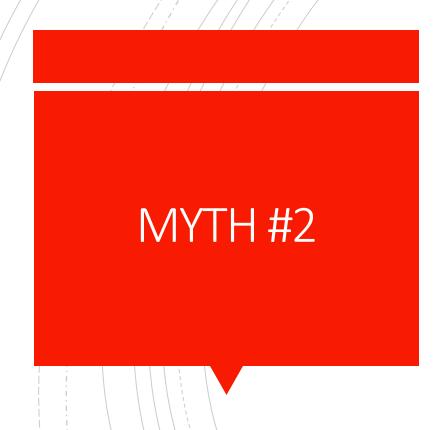


- Myth: "Buying a home is the biggest purchase of your life."
- Truth: It's a big investment, but it might be less out of pocket than buying a car!
- Thanks to down payment assistance, 0% down loans, and seller credits, your up-front cash for buying a home can sometimes be less than what you'd spend on:
- a 10–20% car down payment
- dealer fees
- DMV registration
- maintenance reserves

MYTH #2

For example:

- Typical cash needed for a \$40,000 car: ~\$6,000-\$8,000 out of pocket
- Typical cash needed for a \$500,000 home with down payment assistance: ~\$3,000–\$5,000 out of pocket (covering only inspections and minimal closing costs)



- Key takeaway for first-time buyers:
- A home is a *big* transaction on paper
- But the cash out of pocket can be smaller than you think, because:
 - You can finance most of the purchase price
 - Programs cover down payment and closing costs
 - Sellers may help with credits
 - You build equity instead of losing value like a car

Buying a Car

Buying a Home w/

Assistance

Cash Down

\$6,000-\$8,000

\$3,000-\$5,000

Ownership

Depreciates quickly

Builds equity

Financing

5-7 years

30-year fixed

CAR vs HOMEOWNERSHIP

Monthly Payment Scenarios - First Time Homebuyer Example

WHAT ARE PAYMENTS LOOKING AT

Purchas e Price	Down Payment	Loan Amount	Rate	P&I (30yr fixed)	Taxes (est 1.25%)	Ins (est)	FHA MIP (0.55%)	Est. Total Monthly
\$700k	0%	\$700,000	7%	\$4,658	\$729	\$100	\$321	\$5,808
\$900k	0%	\$900,000	7%	\$5,987	\$937	\$100	\$413	\$7,437
\$1.1m	0%	\$1,100,000	7%	\$7,315	\$1,146	\$120	\$504	\$9,085

WHAT ARE CLOSING COSTS

- What is a point?
- f 1 point = 1% of the loan amount
 2.5 points = 2.5% of the loan amount
- Loan amount = \$900,000
 Broker fee at 2.5 points:
- 900,000×0.025=\$22,500

WHAT ARE CLOSING COSTS

- Other Typical Closing Costs (rough estimate)
- Escrow & title: \$3,000-\$5,000
 - Appraisal: ~\$700
 - Credit report: ~\$150
 - Recording fees: ~\$300
 - ✓ Prepaid taxes/insurance/interest: ~\$4,000–\$7,000 (varies by closing date)
 - ✓ Lender fees: \$1,000–\$2,000
- Typical non-point closing costs: about 2–3% of the purchase price 900,000×0.025=\$22,500

WHAT ARE CLOSING COSTS

Key Takeaway for Buyers:

- When a broker charges **points**, that is on top of regular closing costs.
- Altogether, closing costs can be 3%-5% of the purchase price if you include discount points and standard fees.
- Many down payment assistance programs can help cover some of these costs, or you can negotiate seller credits to offset them.

Total Closing Costs Estimate

- Broker fee (2.5 pts): ~\$22,500
- Other closing costs (2% avg): ~\$18,000
- **\$22,500+\$18,000=\$40,500** (approx.)

WHATS A 2/1 BUYDOWN

- **♠** What is a 2/1 Buydown?
- A temporary interest rate buydown program
 - Lets you start with a *lower* interest rate in the first years of the loan
 - The rate **gradually steps up** until reaching the full rate in year 3

For example, let's say your fixed rate is 7%:

- **Year 1:** 5% (2% lower)
- **Year 2:** 6% (1% lower)
- **Year 3 onward:** 7% (permanent rate)

WHATS A 2/1 BUYDOWN

- Who pays for it?
- Usually the seller or builder offers a credit to fund the buydown
- Sometimes the lender can structure it into the loan with points
- How it helps buyers
- Lowers your initial payments during the first 2 years
- Makes the transition into a higher housing payment easier
- Can give you breathing room if you expect your income to rise

New vs Used

Builder	Type of Incentive	Max Value		
D.R. Horton	Rate buydown, closing-cost credit	Up to ~\$50K		
Lennar	"Flex dollars" & credits	Up to ~\$50K		
PulteGroup (KB, etc.)	Closing-cost assistance, upgrades	~\$10K – \$25K+		
Toll Brothers, Meritage	Upgrades, credits, quick- move-in perks	\$15K-\$50K+		

READY TO GET STARTED

- Let's connect today!
- Who invited you to this workshop or shared this video with you?
- Reach out to them directly
- They'll help guide you through the first steps
- You can even get pre-qualified right now!
- If you're ready to move forward:
- Schedule a free homebuying consultation
- Review your credit and budget
- See which down payment programs fit you best
- Get matched with a trusted local Realtor and lender

THANK YOU FOR COMING

"WE WILL SEE YOU IN ESCROW"

Hector Ray Guizar