

PITI PARTY

REAL ESTATE OR DIE

HOUSE RULES

- 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





COMMON \$0 MONEY DOWN PROGRAMS

- **☐ 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

COMMON \$0 MONEY DOWN PROGRAMS

- **2 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

COMMON \$0 MONEY DOWN PROGRAMS

- **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




COMMON \$0 MONEY DOWN PROGRAMS

- **4 CalHFA 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



COMMON \$0 MONEY DOWN PROGRAMS

- **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 SCCThese often include silent second mortgages or forgivable loans.

COMMON \$0 MONEY DOWN PROGRAMS

- **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
 -  Terms vary; usually no PMI, but sometimes higher rates

MYTH #1

-  **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

- **3 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?**
- ✅ **1. 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 walk-through
 - 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 #2

- ❌ **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)

MYTH #2

-  **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

Purchase 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?**
- 👉 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:**
- $900,000 \times 0.025 = \$22,500$

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 $900,000 \times 0.025 = \$22,500$

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

- 🎉 **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

A red speech bubble graphic with a white outline, containing the text "THANK YOU FOR COMING".

THANK YOU
FOR COMING

**"WE WILL SEE
YOU IN ESCROW"**

Hector Ray Guizar