

Sponsored by:

**EQUITY**  
RESOURCES, INC.  
*mortgages*

# WHO IS EQUITY RESOURCES, INC?

- Direct mortgage banker - Fannie Mae and Ginnie Mae Seller Servicer
- FHA/VA/Conventional/RD loans
- Underwrite in our main office
- Company began in 1993
- Consumer Choice Award winner and A+ BBB standing
- Core Purpose: To Improve the Lives of Families

# What Exactly Is



## Private Mortgage Insurance

PMI allows you to finance a home with less than a 20% down payment. For an extra monthly cost to you, PMI provides default insurance to the lender.

Thinking of saving more to avoid PMI? Accumulating what can be tens or even hundreds of thousands of dollars for a down payment is a challenge

for even the most industrious savers. Delaying a purchase while rates and prices rise may be more costly than PMI in the long run.

PMI allows you to buy what you want now vs. what could end up being far less of a home after you've managed to save a larger down payment later.

# L P M I

lender      paid      mortgage      insurance

LPMI is exactly what it sounds like—the lender pays for the mortgage insurance. The fact that someone else is paying for it doesn't make it free, but depending on your circumstance, it could save you some cash.

A price adjustment for LPMI is typically reflected in a higher interest rate. Still, some borrowers can benefit from lower monthly payments and greater potential tax deductibility. Plus, the overall loan cost can be lower than for loans with conventional mortgage insurance.

# PRE-APPROVAL VS. PRE-QUAL

## Pre-Approval

- Collect documentation
- Verify income to be sure all income will qualify
- Know exactly what a buyer can afford
- No surprises near closing
- Will close on time

## Pre-Qualification

- Based on what a buyer supplies on application
- No verifications of income
- Buyer could be out looking for a price range that turns out to be too high
- Could have big surprises prior to closing
- Closing could be delayed

# PRE-APPROVAL

Here is a **very important** question:

Do you have a Ready, Willing and Able buyer?

Most are ready and willing, but are they ABLE?

Get a Pre-Approval on all Buyers! Why?

It is to the Buyer's advantage!

# WHY GET A PRE-APPROVAL

It takes all the guesswork out of buying a home:

- Buyer knows what they are approved for.
- REALTOR® knows what price range to show.
- Loan Officer can tell REALTOR® what to negotiate for buyer since each buyer is different.

Uncovers any potential problems before you even enter into a purchase contract.

Have a pre-approval letter to submit with purchase contract. *Very important in today's market.*

# THE POWER OF A 2<sup>nd</sup> OPINION



## Do you have Buyers Already Pre-Approved?

**Free Loan Review:** Give your buyers peace of mind that the decision they are making is the best one for their family.

*24-Hour Pre-Approval \* Free Application \* Honest Answers*

### Even More Benefits:

- ✓ In-house underwriting (quick turn times)
- ✓ Loan programs available down to a 580 credit score
- ✓ Gift money as a down payment acceptable with all programs, even Conventional Loans
- ✓ No money down programs
- ✓ We offer Conventional, FHA, VA & USDA loan programs
- ✓ Doctor Program with expanded DTI criteria & no MI
- ✓ Road maps to Qualifying

*Unsure if your Buyer qualifies? Have them call me today!*

**A+** RATING WITH THE  
BETTER BUSINESS BUREAU

**PEACE OF MIND.**



# How Five Mortgage Products of Today Can Help You Sell Homes!

---

---

FHA



VA



Conventional



RD



OHFA



# COMPARE AND CONTRAST FHA, VA, CONVENTIONAL, RD & OHFA

	FHA	VA	CONV	RD	OHFA
<b>Min Credit Score</b>	(580) 640	(580) 620	620 Need to watch MI restrictions	640+ 600-639 Exe	640+
<b>Down Payment</b>	3.5%	Zero Down	5%	Zero Down	1%
<b>Bankruptcy 7</b>	2 Years	2 Years	4 Years, or 2 Years w/ extenuating circumstances	3 Years	2 Years
<b>Foreclosure</b>	3 Years	2 Years	7 Years, or 3 Years w/ extenuating circumstances <i>and</i> max LTV 90% on a purchase of primary residence <u>OR</u> limited cash-out refinance	3 Years	3 Years
<b>Mortgage Insurance</b>	Upfront of 1.75% plus monthly	2.15% No Down Pmt 2.4% (Reserve/Nat Gd) 2 <sup>nd</sup> Time Users 3.3% VA Disability Zero	Monthly amount based on down payment/credit score Max DTI 41% to 45% 2 mos reserves generally required Min score 680 for MI	Upfront of 2% plus monthly	Upfront of 1.75% plus monthly
<b>Seller Contribution</b>	6%	Contributions = No Max VA Concession = 4%	<10% down = 3% 10%-25% down = 6% 25 down = 9%	6%	6%
<b>Qualifying Ratio</b>	31 / 43% Exceptions	41% Exceptions	Per automated system Must be under 45%	29/41% Exceptions	31 / 43% Exceptions
<b>Occupancy</b>	OO Only	OO Only	OO / 2 <sup>nd</sup> Homes / NOO (down pmt varies on 2 <sup>nd</sup> & NOO)	OO Only	OO Only
<b>Income Requirement</b>	None	Residual Income Requirements	None	Varies – According to County	Varies – According to County
<b>First Time Home Buyer OK</b>	Yes	Yes	Yes	Yes	Yes
<b>Miscellaneous</b>	Non-Occupied co-borrower allowed	Buy a home with \$0 down No monthly MI	Only option for 2nd home or NOO	Buy a home w/ \$0 down Low monthly MI	Non-Occupied co-borrower allowed
<b>Geographical Restriction</b>	No	No	No	Only Rural Areas Qualify	Varies
<b>Lender Overlays</b>	Yes	Yes	Yes	Yes	Yes

# FHA BREAKDOWN

	FHA
Min Credit Score	(580) 640
Down Payment	3.5%
Bankruptcy 7	2 Years
Foreclosure	3 Years
Mortgage Insurance	Upfront of 1.75% plus monthly
Seller Contribution	6%
Qualifying Ratio	31 / 43% Exceptions
Occupancy	OO Only
Income Requirement	None
First Time Home Buyer OK	Yes
Miscellaneous	Non-Occupied co-borrower allowed
Geographical Restriction	No
Lender Overlays	Yes

# FHA

## FHA Myths

- FTHB only with bad credit
- Appraisals are too picky (drastic revision 12/2005)
- Too many inspections (well/septic/water)
- Takes too long
- Crack in sidewalk
- Fuse box

## FHA Facts

- Inspection needed as per contract or as required by appraiser
- Max loan amount for most counties \$271,050
- Condos have to be approved by HUD
  - \* Go to website to check if eligible:  
<https://entp.hud.gov/idapp/html/condlook.cfm>

# VA BREAKDOWN

	VA
Min Credit Score	(580) 620
Down Payment	Zero Down
Bankruptcy 7	2 Years
Foreclosure	2 Years
Mortgage Insurance	2.15% No Down Pmt 2.4% (Reserve/Nat Gd) 2 <sup>nd</sup> Time Users 3.3% VA Disability Zero
Seller Contribution	Contributions = No Max VA Concession = 4%
Qualifying Ratio	41% Exceptions
Occupancy	OO Only
Income Requirement	Residual Income Requirements
First Time Home Buyer OK	Yes
Miscellaneous	Buy a home with \$0 down No monthly MI
Geographical Restriction	No
Lender Overlays	Yes

# VA

## VA Myths

- We don't have Veterans in my area
- Takes too long

## VA Facts

- No monthly mortgage insurance
- Condos must be VA approved
  - <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>
- Veteran can not pay for Pest inspection
- Mortgages are assumable

# CONVENTIONAL BREAKDOWN

	CONV
Min Credit Score	620 Need to watch MI restrictions
Down Payment	5%
Bankruptcy 7	4 Years, <i>or</i> 2 Years w/ extenuating circumstances
Foreclosure	7 Years, or 3 Years w/ extenuating circumstances <i>and</i> max LTV 90% on a purchase of primary residence <u>OR</u> limited cash-out refinance
Mortgage Insurance	Monthly amount based on down payment/credit score  Max DTI 41% to 45%  2 mos reserves generally required Min score 680 for MI
Seller Contribution	<10% down = 3%  10%-25% down = 6%  25 down = 9%
Qualifying Ratio	Per automated system Must be under 45%
Occupancy	OO / 2 <sup>nd</sup> Homes / NOO (down pmt varies on 2 <sup>nd</sup> & NOO)
Income Requirement	None
First Time Home Buyer OK	Yes
Miscellaneous	Only option for 2nd home or NOO
Geographical Restriction	No
Lender Overlays	Yes

# CONVENTIONAL

## Conv. Myths

- Best rates
- Lower costs
- Need 20% down

## Conv. Facts

- Minimum down payment is 5%
  - Must meet credit score and DTI guidelines
- Condos can be financed with only 5% down
- Need 6 months PITI for each property owned if own more than one
  - If the equity of 30% is documented on other homes, then only 2 months PITI on both homes are required
- Alimony and child support income - will now be required to document 6 months of receipts
- DTI is 43%\*
- Can only have 10 financed properties



# USDA/RD BREAKDOWN

	RD
Min Credit Score	640+ 600-639 Exe
Down Payment	Zero Down
Bankruptcy 7	3 Years
Foreclosure	3 Years
Mortgage Insurance	Upfront of 2% plus monthly
Seller Contribution	6%
Qualifying Ratio	29/41% Exceptions
Occupancy	OO Only
Income Requirement	Varies – According to County
First Time Home Buyer OK	Yes
Miscellaneous	Buy a home w/ \$0 down Low monthly MI
Geographical Restriction	Only Rural Areas Qualify
Lender Overlays	Yes

# USDA/RD

## USDA Myths

- It's a Farm loan, isn't it?
- Can't be in the city.
- Too many inspections.

## USDA Facts

- Zero money down.
- Mechanicals and living area cannot be in flood zone.
- Only need water test and any stated on contract or as required by appraiser
- Follows FHA appraisal guidelines.
- Has to be approved by us then sent to USDA for their approval.
- Pools cannot be given value.
- Land limitations.
  - *Generally, the value of the site must not exceed 30% of the total value of the property.*
- No working farm outbuildings.

# Top 10 Reasons Why to finance with **RURAL DEVELOPMENT**

**Yes! We are still closing USDA loans!**

- #1 No down payment needed.**
  - Unlike many other loan programs, this is a true 100% LTV.
  - Up to 102% LTV if entire Guarantee Fee is financed.
- #2 Low monthly mortgage insurance (Guarantee Fee).\***
  - Guarantee fee decreases with the loan balance so it goes down every year.
  - One time Guarantee Fee of 2% upfront and .4% annually for purchases and refinances.
- #3 Closing costs can be financed or gifted.**
  - If equity exists between the contract price and the appraised value, closing costs may be financed.
  - Closing costs may be paid by the seller, gifted, borrowed or paid for by a non-profit.
- #4 Qualifying Ratios.**
  - 29% and 41% provide maximum opportunity for applicants to purchase a home.
  - Expanded ratios allowed with good compensating factors.
- #5 No reserve required.**
  - There is no requirement for a 2-month reserve after closing.
- #6 Competitive interest rates on 30 year fixed rate loans.**
  - Buyers will have an interest rate similar to conventional and other government loan programs.
- #7 We understand the special needs of applicants who cannot obtain a conventional loan.**
  - Lack of a credit history is not a reason to deny a loan.
  - Rural Development does not use credit scoring as a sole criterion for loan approval or disapproval.
  - Underwriters are given latitude in underwriting standards to approve loans, not deny them.
- #8 We understand rural properties.**
  - Rural properties often are difficult to appraise due to acreage, distance between comparable sales and lack of similarity between subject and comps.
- #9 Streamline process to insure closings occur in a timely manner.**
- #10 This is a win-win program for REALTORS<sup>®</sup> and buyers who lack funds for a down payment!**

*Program terms & conditions are subject to change at any time. This information is intended for real estate professional use only & is not an advertisement to extend customer credit as defined by Section 226.2 Regulation Z.*

# OHFA BREAKDOWN

	OHFA
<b>Min Credit Score</b>	640+
<b>Down Payment</b>	1%
<b>Bankruptcy 7</b>	2 Years
<b>Foreclosure</b>	3 Years
<b>Mortgage Insurance</b>	Upfront of 1.75% plus monthly
<b>Seller Contribution</b>	6%
<b>Qualifying Ratio</b>	31 / 43% Exceptions
<b>Occupancy</b>	OO Only
<b>Income Requirement</b>	Varies – According to County
<b>First Time Home Buyer OK</b>	Yes
<b>Miscellaneous</b>	Non-Occupied co-borrower allowed
<b>Geographical Restriction</b>	Varies
<b>Lender Overlays</b>	Yes

# WHAT TO LOOK OUT FOR:

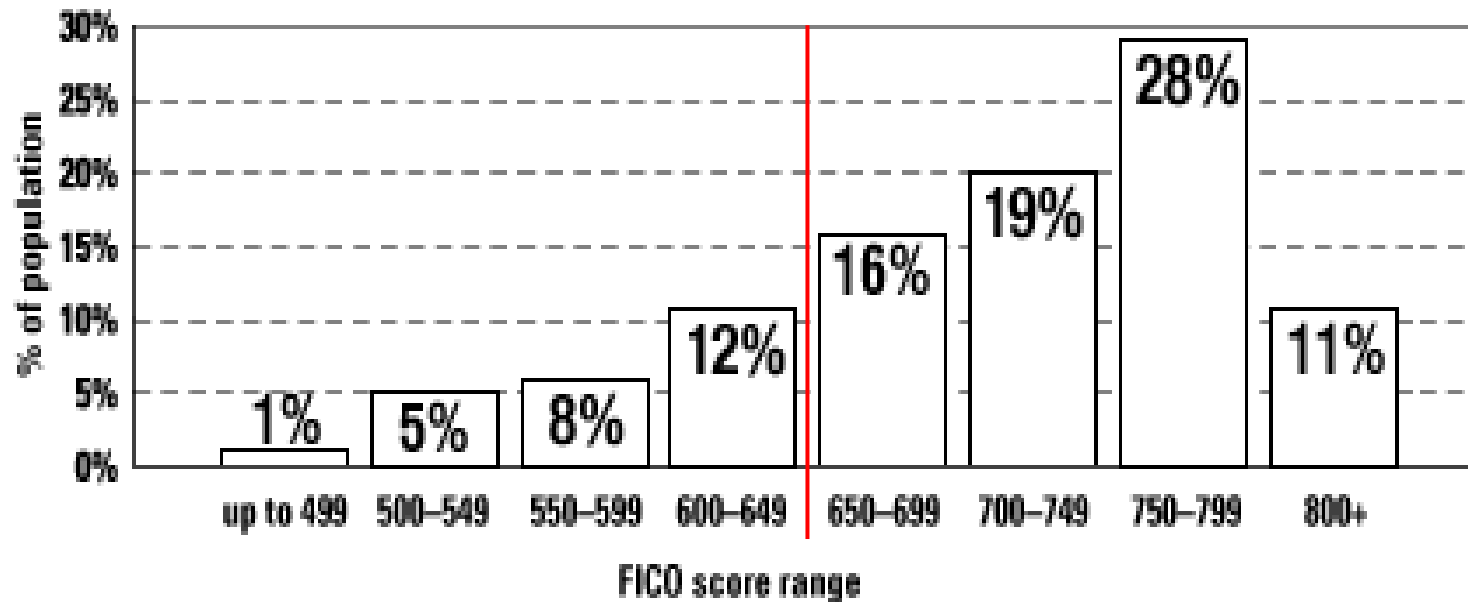
## FHA/VA/USDA/OHFA

- Peeling paint – window, doors, sheds, garages, porches, trim, basements...
- Electric covers
- Exposed wires
- Seriously cracked window
- Holes in wall
- Mold
- Upper level porch - needs railing or door needs sealed shut
- Access to crawl space and attic

***Give it the old up and down look!***

# RANGES OF A CREDIT SCORE

National distribution of FICO scores



# EQUITY

RESOURCES, INC.  
*mortgages*

*I'm here to help!*



7251 Sawmill Road, Suite 100 \* Dublin, OH 43016

Website: [www.QuickOhioLoans.com](http://www.QuickOhioLoans.com)

NMLS 1579/514264, MB800302.007-BR, LO.030220.001

Certain restrictions apply, call for details. Equal Housing Lender. This information is intended for real estate professional use only and is not an advertisement to extend customer credit as defined by Section 226.2

Regulation Z. Program terms and conditions are subject to change at any time.

**Kelley Hall**

Equity Resources, Inc.

Mortgage Specialist

[KHall@CallEquity.net](mailto:KHall@CallEquity.net)

614.209.9209

