Career Day

Mortgage Specialist

with LO Name

& Equity Resources, Inc.

What is a Mortgage?

An agreement between a consumer and a lender that gives the lender the right to take a property if the consumer fails to repay the money borrowed plus interest. Mortgage loans are used to buy a home or to borrow money against the value of a home already owned.

Responsibilities of a Mortgage Specialist

- Assisting customers with the loan application process and informing them of changes in policy, eligibility, their application status, or other updates and information.
- Always have the family's best interest in mind when recommending programs.
- Work to gain a complete understanding of the family's financial situation, life situation and future goals.
- We stay in touch with each client until they are mortgage debt-free, checking in when rates lower to see if a refinance is needed and guiding them on their best next steps to financial freedom.

Required Education

- Licensed through the State as well as through the United States.
- Must have a good understanding of formulas and math.

Work Week

Hours vary…some weeks you may work 25-30 hours and some 50-60 hours.

Must be available when customers need you which is often after hours and weekends.

Guiding Clients to Understand Credit

Credit is most simply defined as the ability to borrow money to pay back later.

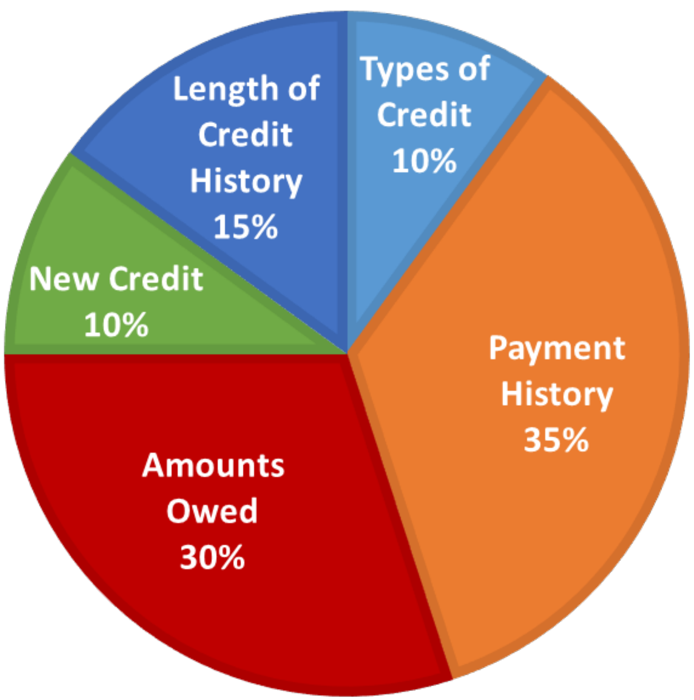
The Three C's of Credit

Your credit score is a measure of factors that may affect your ability to repay credit. It's a complex formula that takes into account how you've repaid the previous loans, any outstanding debt, and your current salary.

A credit score is dynamic and can change positively or negatively depending upon how much debt you accrue and how you manage your bills.

The factors that determine your credit score are called The Three C's of Credit: Character, Capital & Capacity.

5 Key Parts of a Credit Score



- **Payment History** – This is where you get credit for making payments on time, and lose points for delinquent credit. Payment history determines 35% of a score.
- **Amounts Owed** – This one is complicated, but in general you want to owe less than 30% of the limit on your credit lines to maximize this section. Amounts owed determines 30% of a score.
- **Types of Credit** – Having a variety of accounts, like a mortgage, a car loan and a credit card is better than just having a mortgage. Credit mix determines 10% of a score.
- **Length of Credit History** – Having some older accounts helps here, so closing out old unused accounts can sometimes hurt. Length of credit determines 15% of score.
- **New Credit** – Opening too many new accounts in a short period of time, or having credit pulled too often can hurt this section. New credit determines 10% of a score.

Providing Credit Tips

- Understand the effects of closing old accounts.
- Review credit report annually for errors
- Ideally keep 4-6 accounts open
- Use accounts at least once every 6 months
- Keep balances at 30% of high credit limit
- Don't open numerous accounts simply to try to increase your score
- Don't increase your credit limit just to achieve the 30% target to improve your score (you'll be tempted to use it)
- Bottom line: show ability to manage credit

Helping to Build Financial Responsibility

Age 14-17: Establish a savings account. Set goals on how much you will deposit every month. Share goals with your parents and do your best to stick with it. Aim to add a portion of any birthday or holiday gift money you receive as well.

Age 18: Check credit history with a free annual credit report at www.annualcreditreport.com (start doing this every year). You are not legally responsible if someone has used your information fraudulently before age 18. Contact credit reporting agencies about any errors (you may have to provide proof of age).

Look to open a credit account. You may have to start with a secured credit card from your bank (since this is the first credit item establishing). It's important to understand how you use this credit card affects your credit score. Example: if you have a $500 limit, you should always keep below $150 (30% of your max limit). Our suggestion is to use this card for a tank of gas every month and pay it off when you get the bill.

Age 19: Since you have a year reporting to the credit bureau, look to open a second account. This could be a second credit card or store card (remember how to use, see above). This could also be a small car loan.

Remember, our goal is to establish a good credit history.

- Always pay bills on time!
- It's not how <u>much</u> you borrow; it's how you pay.
- Understand your limit versus what you owe.
- Keep cards below 30% of the max limit.

Any Questions?

LO Name

Mortgage Specialist

PHONE (123) 123-1234

Email LOName@CallEquity.net

Apply CallEquity.com/LOName

NMLS 1579/1234567

EQUITY RESOURCES, INC.
mortgages

LO Address Here City, State, Zip

LO Branch Licensing here. Certain restrictions apply, call for details. Program terms and conditions are subject to change at any time. This is not a commitment to lend.

EQUAL HOUSING OPPORTUNITY