

First Time Home Buyer Course

❖ **Who we are**

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❖ **What is a First Time Home Buyer? *Someone who hasn't owned a principal residence for the three-year period ending on the date of purchase of the new home. An individual who has never owned a principal residence even if their spouse was a homeowner.***

❖ **The 3 C's – Credit – Cash Flow – Collateral**

- **Credit**
 - Loan Options for Credit 580 and up. Some options for lower with compensating factors (down payment, good debt to income ratios).
 - No credit options available
- **Income (Cash flow).**
 - Self Employed, Full Time, Part Time, Seasonal, bank statement only? We have options for all types of income.
 - Reserves? Money left over after you purchase a home (not required on all loans)
- **Collateral**
 - The property – Is this property lendable? Will you need a renovation loan?

❖ **Steps to homeownership**

❖ **Do's and Don'ts during a mortgage transaction**

❖ **How to Prepare**

- **Credit and Liabilities**
 - During the process, do not open any new credit !!!
 - Pay down revolving debt below 30% of the limit to improve your credit.
 - Keep minimum payments low.
 - Have at least two trade lines open and active at all times.
 - Do not have any late payments within the last year
 - Do not have your credit pulled a whole bunch before you come to get pre-approved.
- **Assets**
 - Save up as much as possible regardless of program.
 - Do not transfer money around to different accounts or banks unless necessary.
 - Do not deposit large sums of money outside of paychecks
- **Job and Income**
 - Do not switch Jobs multiple times during the years before you buy.
 - Do not work less hours than your required shift
 - If you have a job where you get tips - make sure you claim all your tips.
 - Realize that with any commissions, overtime, bonus, second jobs and tip income, you normally need to have a two year history of this income to use it.

- **Collateral**
 - Mobile, manufactured, condo's, modular, and unique homes need to be discussed prior to putting an offer on a home. They are very financeable, but there are certain requirements.
- ❖ **Loan Types**
 - VA, USDA, FHA, Conventional, Non-QM (Non-Qualified Mortgage)
 - Down payments ranging from 0% to 3% and 5% down.
- ❖ **Down Payment Assistant Options**
 - Qualifying factors
 - Credit, Income, debt to income ratios, location.
 - Types: Grants, and Loans
 - It's important to note that these are available but you must review all the details. 2nd liens, Prepayment charges, higher rates, payback.
- ❖ **Other Down Payment Options**
 - Checking, Savings, Retirement Funds, Gifts from Employers, Gifts from Family Members, Secured Funds
- ❖ **Ready to GO! What are the current Market conditions like?**
 - From a Real Estate Agent Perspective?
 - From a Mortgage Broker Perspective?
- ❖ **How can we help you:**
 - Real Estate Agent
 - Mortgage Broker/Lender

