# First-Time Homebuyer Webinar 2024

**BANKING SIMPLIFIED. LIFE MAGNIFIED.** 





### WHO WE ARE



- Serving our members since 1969
- Began as a single branch serving the needs of Penfield School District employees
- We now have 5 branches and are owned by over 15,000 members
- Aim to provide secure and innovative financial services to our members



# WHY CHOOSE FFCU

- Non-profit organization focused on our members needs
- Lower PMI rates than large retail banks
- FAST turn around times
- Service oriented we are "people helping people reach their financial goals"
- LOCAL, LOCAL, LOCAL!



# **COMMON TERMS**

| Appraisal                           | A report made by qualified appraiser setting forth an opinion or estimate of value. The term<br>also refers to the process by which this estimate is obtained.  |  |  |  |
|-------------------------------------|---|--|--|--|
| Contingency                         | A clause in a purchase contract stating conditions that must be met in order for the contract to be binding. For example: The sale of a home can be contingent upon the buyer obtaining financing.                              |  |  |  |
| Home Inspection                     | An examination of the structure and mechanical systems to determine a home's quality, soundness and safety; makes the potential homebuyer aware of any repairs that may be needed.  |  |  |  |
| PMI (Private Mortgage<br>Insurance) | Insurance written by an independent mortgage guaranty insurance company that protects<br>the mrotgage lender against loss incurred by a mortgage default, enabling the lender to<br>lend a higher percentage of the sales price |  |  |  |
| Points                              | Fees paid to lenders. 1 point = 1 percent on the loan amount. On a \$100,000 loan, 1 point is \$1,000. Points may be further classified into origination points or discount points  |  |  |  |

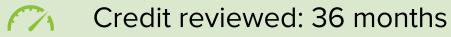


# **CREDIT REQUIREMENTS**

Minimum Credit Score: 620

Credit score for lowest possible costs: 740

Minimum active trade lines: 3





# **DOWN PAYMENTS**

| Conventional   | FHA  | SONYMA                | USDA    | VA   |
|--|--|-----------------------|---------|--|
| <ul> <li>Regular<br/>Conventional<br/>Loan: 3% - 5%<br/>of sale price</li> <li>Home Ready<br/>Mortgage: 3%<br/>of sale price</li> <li>Requirement to<br/>avoid PMI<br/>Payment: 20%<br/>of sale price</li> </ul> | <ul> <li>3.5% of sale price</li> <li>Mortgage insurance is mandatory on all FHA Loans</li> </ul> | • 3.00% of sale price | • 0.00% | <ul> <li>0.00%</li> <li>No Monthly<br/>Mortgage<br/>Insurance<br/>Premium</li> </ul> |



# **COSTS TO CONSIDER**

| Attorney Fees              | Attorneys are required in NYS, fees vary           |  |  |
|----------------------------|--|--|--|
| Closing Costs              | osing Costs 2.5% - 4.5% (credit & loan dependent)  |  |  |
| Down Payment               | Typically, at least 5%                             |  |  |
| Homeowners<br>Insurance    | 1 <sup>st</sup> years premium                      |  |  |
| <b>Property Inspection</b> | Optional   |  |  |
| Taxes                      | 2.5% - 4.5% of the purchase price (town dependent) |  |  |



# MORTGAGE PROCESS (1 of 2)

- **1. Pre-Approval:** Income + credit are reviewed. A pre-approval letter is generated specifying a mortgage amount that you are pre-approved for based on certain conditions.
- 2. Purchase Offer, Realtor, Attorney: Once you've found a home you want to put an offer on, you'll work with your realtor to write a purchase offer and your attorney to review and approve the written contract.
- **3.** Inspection (optional): If elected, once completed please send the inspection release to Family First. *Remember: Inspection is <u>not</u> the same as an appraisal!!!*
- **4. Application:** After you and the seller agree to a purchase offer, you should contact your mortgage consultant to submit a formal application.



# MORTGAGE PROCESS (2 of 2)

- **5. Appraisal:** The credit union will send an appraiser to the property to determine the current market value of the property.
- 6. Mortgage Commitment: A mortgage commitment (approval) will be issued by the credit union. Be sure to read all conditions of your commitment!!!
- 7. Closing: Once all conditions of the commitment have been met, the credit union will clear your file for closing. Then, it's up to you and your attorney to schedule your closing.
- 8. Move into your new home!!

#### WHAT TO DO

#### WHAT <u>NOT</u> TO DO



- Work with your mortgage originator to provide all necessary documentation to support your mortgage application as soon as possible.
- If purchasing a home with a First-Time Homebuyer grant, it is imperative that we process the file as soon as possible. Note: Grant funds cannot be requested until you have provided your mortgage originator with all required documentation!

- Apply for new credit during the application process, creating additional credit inquiries
- × Delay in submitting your loan application
- Increase credit usage (which will require us to reduce your loan amount)
- × Make large deposits that are not easily verifiable
- Change jobs or income sources without discussing with Family First beforehand
- Notify Family First of any income increases or decreases
- Don't worry if we request additional documentation!
   This doesn't mean your file is getting adversely reviewed - just that the mortgage underwriter needs some clarification on documents already received.



#### MEET OUR TEAM (1 of 3)





Julie Vella Senior Mortgage Originator

585.586.8225 x119 julie.vella@familyfirstny.com Ron Kraft Mortgage Originator

585.586.8225 x335 ronald.kraft@familyfirstny.com



#### MEET OUR TEAM (2 of 3)





**Bill Hollifield** *Mortgage Underwriter* 

Handles mortgage approval process and works directly with the credit union attorney

Lisa Wille Mortgage Processor

Handles mortgage processing from application to closing



#### MEET OUR TEAM (3 of 3)



Alice Hooker Mortgage Servicer

Handles your mortgage after your closing



Colleen Perry-Curcio Mortgage Manager

Oversees the mortgage department to ensure a smooth process from application to closing

# FIRST-TIME HOMEBUYER GRANTS & ASSISTANCE



# HOMEBUYER DREAM GRANT

\$19,500 to go towards the down payment, closing costs, and/or taxes

\$500 defrayment cost to a non-profit agency for homebuyer education



Must take a HUD approved First-Time Homebuyer education course



Income must qualify based on the total members in the household



Must provide the last 30 days of paystubs of qualifying income for the grant submission



### SONYMA MORTGAGES

Achieving the Dream Program and Low Interest Rate Program

- **1** 30-year fixed-rate mortgage
- Minimum Down Payment: 3%

**120-Day Rate Locks** 

- Minimum Required Borrower Cash Contribution: 1% of the purchase price
- Can be combined with down payment assistance loan of 3% of the purchase price OR a minimum or \$3,000.

SONYMA allows unlimited grants in addition to their down payment assistance loans!



# **PATHSTONE GRANTS**

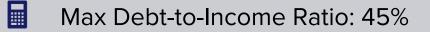
| ••• | Down Payment Assistance | Loans | up to | \$5,000 |
|-----|-------------------------|-------|-------|---------|
|-----|-------------------------|-------|-------|---------|

**Mominimum Credit Score** 

**Minimum of 3 tradelines** 

**\$** This grant requires pay back - interest rate is the same as the mortgage rate

Payback term: 1-5 years amortization Max Debt-to-Income Ratio: 45%





# PATHSTONE CLOSING COST LOAN



Can be used for down payment, closing costs and taxes



Loan is secured to the property



Must complete an approved First-Time Homebuyer education course



Loan can be combined with other grants and down payment assistance loans



# SHEEN HOUSING GRANT

| 💼 U | p to \$ | 3,000 fo | r closing | cost | assistance |
|-----|---------|----------|-----------|------|------------|
|-----|---------|----------|-----------|------|------------|

No interest but requires repayment - \$50/month for 5 years



For First-Time Homebuyers (haven't purchased a home in the last 3 years)



Must be a single-family home



Must complete an approved First-Time Homebuyer education course

# **QUESTIONS?**