




Hot Market. Low Rates. What you Need to Know About Home Buying

Sound Credit Union
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Webinar Housekeeping

 This webinar is being **recorded** and will be posted to our website.



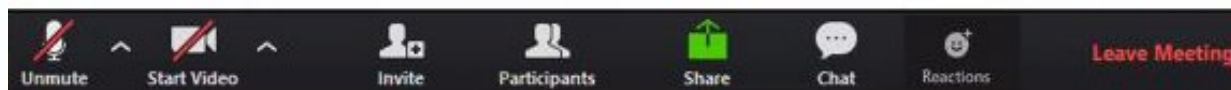
Microphones have been muted and **cameras** are turned off for this webinar.



Please post comments and questions in the **chat** window. We will answer your questions during the Q & A portion of the presentation.



When you exit, please take few moments to answer the short **survey**. This helps us know how we did and learn what other topics you're interested in!



Current Housing Market

- The Seattle-Tacoma area is home to one of the hottest housing markets in the nation
- Average time on the market for most homes is 23 days
- Median List Price is \$755k
- It is a seller's market be prepared to pay all your own costs
- Be ready to make quick decisions on a property



How do I know how much I can borrow?

- Think about what you're comfortable paying as a monthly mortgage payment
- Mortgage calculators are a good tools, but they don't tell you what you qualify to finance
- Know your Debt-to-Income (DTI) Range



Check your credit report



- You credit score impacts:
 - Your approval for a loan.
 - Your loan interest rate.
- Contact a Mortgage Loan Officer to check your credit before you begin.
- Dispute any errors and work on improving your credit.

Know your recurring monthly expenses

- Auto loans
- Credit Card payments
- Student loans
- Student loans
- Alimony
- Child support



How to Calculate Debt to Income (DTI)

- Lenders use this ratio to determine:
 - how you manage your recurring monthly debt
 - what you could afford for a monthly mortgage payment
- New housing debt can include:
 - Principal
 - Insurance
 - Interest
 - Private Mortgage Insurance (PMI)
 - Taxes
 - Homeowners Association (HOA) fees



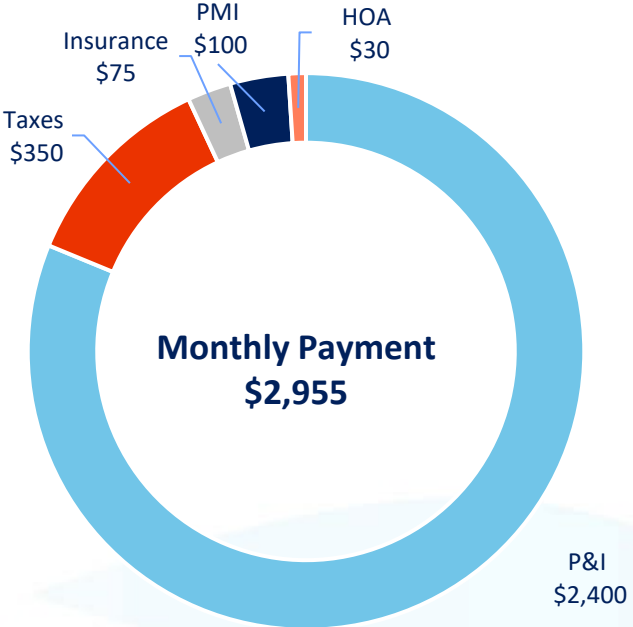
Debt to Income Range (DTI) example

Recurring Monthly Debt	Amount
Min. credit card payment:	\$200
Auto loan payment:	\$250
Student loan payment	\$125
Alimony/child support payment	\$0
Other loan/debt payments	\$175
Proposed Housing Cost	\$2,690
Recurring Debt total	\$3,440
Gross Monthly Income	\$8,000
Debt-to-income ratio/Gross Monthly Income	43%

The mortgage industry uses 43% as a general DTI range when qualifying borrowers.

How to determine how much you qualify for

Affordability Information	
Gross Annual Income:	\$140,000
Recurring monthly Debt:	\$2,000
Down payment:	\$10,000
Debt-to-income:	36%
Interest rate:	4.227%
Loan term:	360 months (30 years)
Property tax:	1.2%
Home Insurance	\$800/year
Homeowner Assoc. (HOA)	\$30/month




In this example, this individual or couple would qualify for: **\$320,172**

How do I put an offer in?

- Find the right Real Estate Agent
- Interview 2-4 agents
- Make sure your agent understands your homeownership goals



Interview Real Estate Agents

- How long have they been an agent?
 - How many clients are they currently working with?
 - Have they helped buyers find homes in these areas, price ranges, conditions, etc.?
 - Will you work with them individually or with a team?
 - How will they help buyers compete in this market?
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How can I increase my buying power?

- Research, research, research
- Setup alerts to notify you when a home that meets your desired criteria comes on the market
- Work with your lender to get a pre-approval letter
- Your Real Estate Agent is your best resource for guidance on putting in an offer that will be accepted



Mortgage rates

- Mortgage rates change daily and fluctuate. Rates are affected by:
 - Stock market
 - Foreign market
 - Unemployment rates
 - Inflation
- Mortgage lenders watch these markets to determine when clients should lock their rates
- Current market conditions can affect mortgage rates
- Do your homework:
 - Reach out to multiple lenders to compare the rate best for you

Q & A Time



Questions? Contact us!



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soundcu.com/home-loans



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Thank you!

