

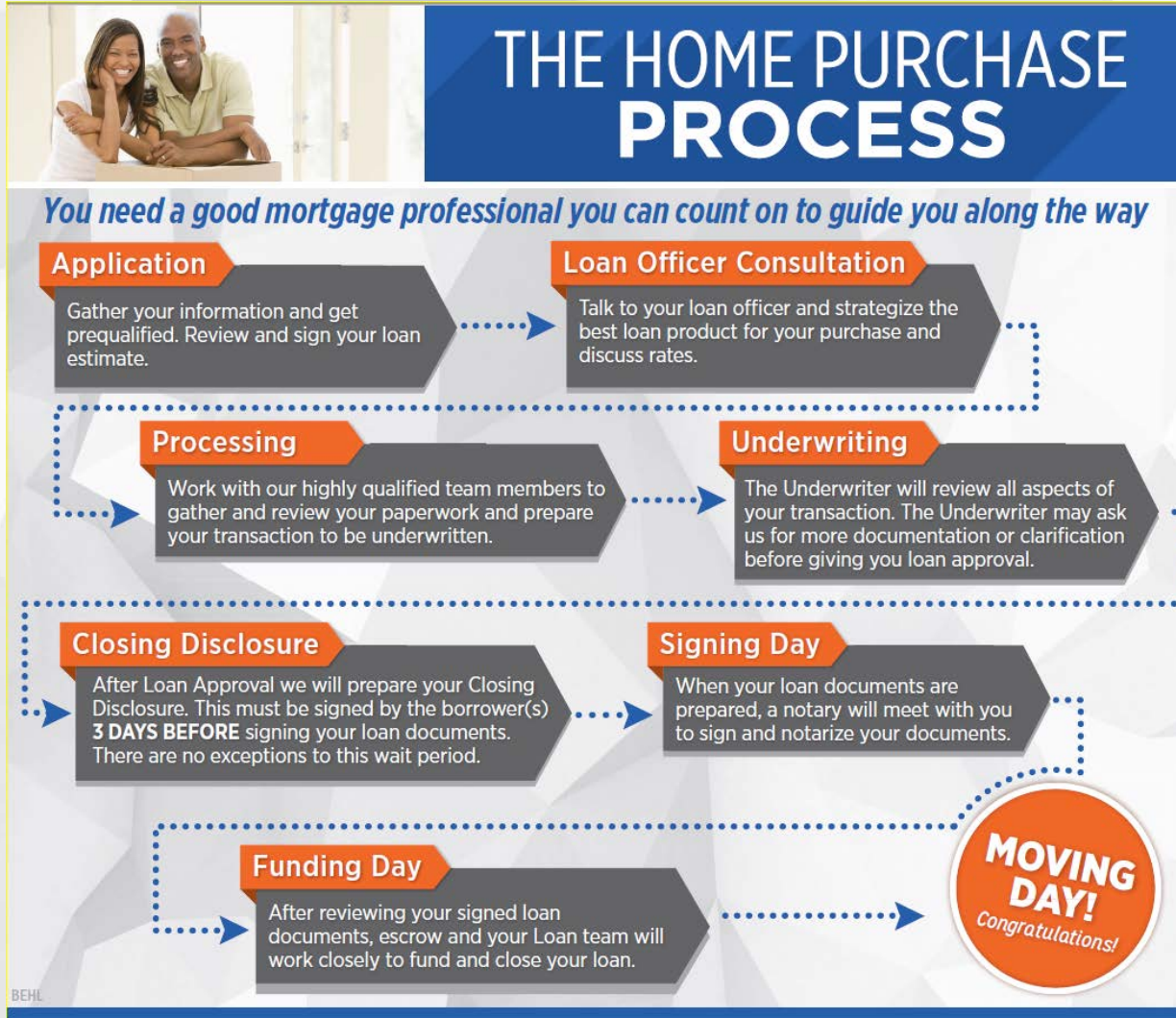
Housing & Mortgage 101



Overview of the Home Buying Process

- 1) Talk to Supervisor/HR about eligibility for various programs for Pitkin County employees
- 2) Meet with a mortgage lender to get pre-qualified for a mortgage
- 3) Work with realtor or housing office on finding a property that you can afford and that meets Pitkin County's guidelines
- 4) Submit an offer and execute a sale contract
- 5) Finalize your loan
- 6) Closing

Overview of the Mortgage Process



Programs Available to Pitkin County Employees

- Pitkin County EHOP Deed Restricted
 - Up to 40% of purchase price with a maximum of \$300,000 – actual amount will vary based on income
 - Purchase free market property (Aspen to Carbondale along Hwy 82 and Brush Creek corridor)
 - County contributes a portion of the down payment in exchange for a deed restriction
 - Maintain the home only as long as employed with the county
- Pitkin County EHOP Down Payment
 - 15% of purchase price not to exceed \$50,000
 - Employee must put down 2% of purchase price or \$3000 – whichever is greater
 - 2nd loan with below market interest rate – 30 year amortization
 - Cannot pair with deed restricted option above
 - Can use with free market or APCHA properties
 - Do not need to sell home if no longer working for Pitkin County

Down Payment

- How much needed?
 - 0% for USDA & VA (funding fees need to be paid in cash on APCHA properties)
 - 3%-5% for Conventional
 - ***5% is minimum for Pitkin County deed restricted program
- Eligible sources of down payment
 - Money in a bank/investment account
 - Gift from relative
 - Loan which is secured by other collateral such as a vehicle, 401K, etc
 - No cash!

Closing Costs

- Closing costs include
 - Appraisal
 - Closing/settlement fee to title company
 - Title insurance
 - Recording fees
 - Origination/processing/documentation fees
 - 12 months of property insurance
 - Deposit for property tax and property insurance escrow
 - Points (optional)
 - Transfer taxes (if applicable)
 - Interest from date of closing through end of the month
- **Estimated closing costs are ~\$4000 – vary based on loan amount and property**
- **On deed restricted program, can include closing costs as part of your 5% down**

Selecting a Property

- For the down payment assistance program – it can be any property that you can qualify for free market or APCHA
- For the deed restricted programs:
 - Must be in the Aspen to Carbondale corridor and near RFTA stops
 - Must meet Pitkin County’s property inspection criteria
- Work with Realtor to look at properties and execute a purchase contract

Pre-Qualification Process

- Complete application – in-person, online or over the phone
- Submit your financial package to lender
- Lender reviews your credit, income and down payment to calculate how much you qualify for
- Talk to your realtor to let them know how much you qualify for so they can find appropriate homes to consider
- Lender will provide you with a pre-approval letter that matches your offer price

this process generally happens same day but if you have a complicated financial picture, it may take longer

Loan Programs

- Conventional
- USDA
- VA
- FHA
- CHFA
- Jumbos

Do's When Buying A House

- Keep your financial information/statements organized and up to date
- Review your credit report – www.annualcreditreport.com
- Pay your bills on time
- Plan for your down payment – save up, line up gift funds, etc.
- Maintain steady employment

Don'ts When Buying A House

- Don't make any large purchases like cars, boats, furniture
- Don't quit or change jobs
- Don't deposit large amounts of cash – it cannot be considered as available for your down payment
- Don't wait too long to withdraw your funds from stocks or retirement for your down payment

Tips for Improving Your Credit Score

- Pay your credit cards loans on time and as agreed
 - Don't carry credit card balances over 30% of your high limit
 - Minimize the amount of times you have your credit pulled
 - Review your credit report at least annually
 - www.annualcreditreport.com
 - If your credit is in bad shape – work with a credit repair company – *see your lender for more information*
- ***Banks and mortgage companies use the most conservative versions of credit scores – not the same as credit karma and the recent online versions***

Mortgage Terminology

- Title Insurance
- Mortgage Insurance
- Debt to income/DTI
- Loan to value/LTV
- FICO/Beacon/Credit score/Mid-score
- Escrow/Impounds
- Appraisal
- Verification of employment/VOE

Contact information



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