Memphis Virtual Homebuyer Fair

August 28, 2021
10:00 am – 1:00 pm

Partners

Tennessee Housing Development Agency
United Housing, Inc.
Frayser CDC
About Us...

- **History**
  Founded in 1994 by Tim Bolding,

- United Housing (UHI) is a nonprofit affordable housing agency that serves the City of Memphis, Shelby County, and West Tennessee. UHI targets its services to families that are under served by the traditional homeownership industry.

- **Mission**
  United Housing provides quality housing opportunities to Mid-South residents through financial education, mortgage lending, home building and renovation, and creative partnerships with public, private and nonprofit entities.
## Why own a home?

- Control over decisions related to your living environment
- Stability
- Equity
- Tax Benefits
- Generational Wealth
WHAT SHOULD I DO?

- Determine if homeownership is right for you
- Identify your personal values
- Set your financial goals
- Determine how much you can afford
- Put a date and a dollar amount on your goal of homeownership
- Make an action plan to achieve your goals of homeownership
- Rate your finances based on what a lender considers
- Consult with a HUD housing counselor
- Get educated on the homebuying process
Home ownership begins with you and us at...

UNITED HOUSING, INC
2750 COLONY PARK DRIVE
MEMPHIS, TN 38118
901-272-1122
WWW.UHINC.ORG
UNITED HOUSING STAFF
EXECUTIVE DIRECTOR: AMY SHAFTLEIN
Charia Jackson, MCRP

3684 N. Watkins St.
Memphis, TN  38127

www.fraysercdc.org
FaceBook: FrayserCDC
IG: FrayserCDC
Frayser CDC’s mission is to work with the community to provide improved housing and stimulate commercial and economic growth.
Steps to Homeownership

Prepare for Homeownership

Determine how much you can afford

Get a pre-approval

Decide on the type of home you need and want

Shop for a home
Steps to Homeownership

1. Make an Offer
2. Get a professional Home Inspection
3. Apply for a mortgage loan
4. Buy Insurance and additional Inspections
5. Close on your loan
Steps to Homeownership
5 Reasons to Buy a Home Now

Brody Wamble
Community Affairs
Simmons Bank
Low interest rates allow for a lower monthly payment.

In many cases, it’s cheaper to buy a home than to rent

$150K at 3%, 30 yr. Fixed
Principal and Interest = $632.41

@ 5% = $716.12

Difference $83.71
Tax Benefits of owning a home

- Tax deductible mortgage insurance
  - VA funding fee, USDA guarantee, FHA upfront MIP
- Home Office Deductions
- Real Estate Taxes
- Discount Points (Closing costs)
- Medically Necessary Home Improvements
Home Equity —
the difference between the home's fair market value and the outstanding balance

$150,000 Home Value

50% Equity
$75,000

50% Mortgage
$75,000

- Consolidate debt
- Home improvements
- Retirement
- Down payment on next home
- Appreciation
Stability

- Shelter – Everyone needs a place to live. Homeownership offers stable foundation for securing your personal belongings and place in your community.
- Homeowners strengthen public schools, community infrastructure, safer neighborhoods
- Know your Neighbors!
- Civic engagement. Creating change and driving initiatives with local officials
- Wealth building
The time is now....
UNDERSTANDING CREDIT

Presenter
KAREN MADLOCK
OPERATIONS MANAGER
WHAT IS CREDIT?

Credit is the ability to borrow money or access goods or services with the understanding that you'll pay later.
A credit report provides detailed information on how you have used credit in the past, including how much debt you have and if you've paid your bills on time.
WHY DO YOU NEED CREDIT?

Good credit is necessary if you plan to borrow money for major purchases, such as a car or a home.

Or maybe you want to take advantage of the convenience and purchase-protection a credit card can provide.
THE CREDIT BUREAUS

Experian

Transunion

Equifax
<table>
<thead>
<tr>
<th>ACCESS YOUR CREDIT REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditkarma.com</td>
</tr>
<tr>
<td>Annualcreditreport.com</td>
</tr>
<tr>
<td>Credit Cards usually give free credit reports</td>
</tr>
</tbody>
</table>
A FICO score is a type of credit score created by the Fair Isaac Corporation. Lenders use borrowers' FICO scores along with other details on borrowers' credit reports to assess credit risk and determine whether to extend credit.
Adding Up the FICO Score

- 35% Payment history
- 30% Amounts owed
- 15% Length of credit history
- 10% New credit
- 10% Credit mix

SOURCE: MyFICO
NOT JUST ANOTHER PROGRAM - HELP CLIENTS AS LONG AS NEEDED!

- OPEN A BANK ACCOUNT
- CREATE BUDGET
- MANAGE FINANCES
- PAY DOWN DEBT
- BUILD CREDIT
- INCREASE SAVINGS
- LINK TO OTHER HELPFUL PROGRAMS
FREE UNBIASED ONE-ON-ONE FINANCIAL COUNSELING

ALL SHELBY COUNTY RESIDENTS ARE ELIGIBLE REGARDLESS OF INCOME

Virtual or Telephone Sessions by Appointment Only

901-390-4200

https://fecpublic.org/appointment-greatermemphis
Each person’s budget is different. Remember to customize it to your life and your own expenses.
• Create Your Budget BEFORE the Month Begins
• Adjust Your Budget Monthly
• Remember that every month is different
• Save First, Then Spend
• Start with the most important categories first
• Establish Needs VS. Wants
• Don’t be afraid to trim the budget
• Set-up auto pay from your checking account
• Use cash for certain budget categories that trip you up
• Expect the Unexpected (save)
• Plan For Large Purchases
• Forgetting one-time expenses
• Don’t Be Too Hard on Yourself
THDA Down Payment Assistance Programs

Presented by
Rebekah Bicknell
Customer Account Manager

Tennessee Housing Development Agency
Why Homeownership?

• Generational Wealth
• Health
• Civic Engagement
• Work Productivity
• Independence
• Tax Benefits
Who is THDA?

- Created in 1973
- Affordable Mortgage Financing
- Available Through Approved Lenders
- Mortgage Revenue Bond Program
- No Tax Payer Dollars Used
- Manage Various Special Programs
## First Mortgage Products

<table>
<thead>
<tr>
<th>MRB First Mortgage</th>
<th>MRB First Mortgage</th>
<th>MBS First Mortgage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Great Choice</strong></td>
<td><strong>Homeownership for the Brave</strong></td>
<td><strong>GC.97</strong></td>
</tr>
<tr>
<td>30 Year Fixed Rate</td>
<td>30 Year Fixed Rate</td>
<td>30 Year Conventional</td>
</tr>
<tr>
<td>FHA, VA, USDA, CONV</td>
<td>Discounted Rate</td>
<td>Fixed Rate</td>
</tr>
<tr>
<td>THDA Sets Rate</td>
<td>FHA, VA, USDA, CONV</td>
<td>Freddie Mac Product</td>
</tr>
<tr>
<td></td>
<td>50 BPS Reduction</td>
<td>THDA Sets Rate Daily</td>
</tr>
<tr>
<td><strong>ALL ELIGIBLE APPLICANTS</strong></td>
<td><strong>ELIGIBLE MILITARY, VETERANS, SPOUSES</strong></td>
<td><strong>NOW AVAILABLE</strong></td>
</tr>
</tbody>
</table>
What is Down Payment Assistance?

- Second Mortgage Financing
- Low Interest Rates
- Covers Down Payment And Closing Costs
NEW! Coming September 13\textsuperscript{th}, 2021

<table>
<thead>
<tr>
<th>SECOND MORTGAGE</th>
<th>SECOND MORTGAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEFERRED- NO PAYMENT OPTION</td>
<td>PAYMENT TERMS OPTION</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>THDA PROVIDES $6,000 (DEFERRED – NO PAYMENT) Towards Down Payment and/or Closing Costs</th>
<th>THDA PROVIDES 6% of the Sales Price (PAYMENT TERMS) Towards Down Payment and/or Closing Costs To a Maximum of $22,500</th>
</tr>
</thead>
</table>

ALL ELIGIBLE APPLICANTS | ALL ELIGIBLE APPLICANTS
THDA Bond Program Criteria

- First Time Homebuyer
- Household Income Limits
- Acquisition Cost Limits
- Single Family Residence
- Owner Occupied
- Score- Mid Credit Score 640
- Homebuyer Education Required
THDA Freddie Mac Conventional Program Criteria

- First Time Homebuyer Not a Requirement
- Income Limits per Freddie Mac 80% AMI
- Acquisition Cost Limits
- Single Unit Residence
- Owner Occupied
- Score- Mid Credit Score 660
- Homebuyer Education Required
Resources for Homebuyers- GreatChoiceTN.com
GreatChoiceTN.com- Find a Class, Realtor or Lender
SHELBY COUNTY THDA APPROVED COUNSELING AGENCIES

Mi Techo, Inc.
Locations may vary so please check with Derna.
Collierville TN 38017
Phone: (901) 870-7472
Fax: (901) 457-7911
Email: mitecho@bellsouth.net
Contact: Derna Greenberg

Frayser CDC
3684 N. Watkins St
Memphis TN 38127
Phone: (901) 354-7178
Fax: (901) 354-9405
Email: cjackson@fraysercdc.org
Contact: Charla Jackson

Habitat for Humanity of Greater Memphis
7136 Winchester Road
Memphis TN 38125
Phone: (901) 323-3519
Fax: (901) 322-3544
Contact: Liz Miller

Memphis Area Association of Governments
8289 Cordova Road
Cordova TN 38016
Phone: (901) 729-2871
Fax: (901) 729-4107
Email: pmorris@maagov.org
Contact: Paul Morris

NID-HCA Memphis
1574 E. Shelby Dr
Memphis TN 38116
Phone: (901) 417-8094
Fax: (901) 842-9369
Email: nidmemphisdelta@comcast.net
Contact: Priscilla Harrell

United Housing
2750 Colony Park Drive
Memphis TN 38118
Phone: (901) 272-1122
Fax: (901) 272-1181
Email: preed@uhinc.org
Contact: Priscilla Reed
Thank you for attending!
THE DOWN PAYMENT ASSISTANCE PROGRAM

CITY OF MEMPHIS
DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

JIM STRICKLAND, MAYOR, CITY OF MEMPHIS
ASHLEY CASH, DIRECTOR, DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

EFFECTIVE JULY 1, 2021
DPA PURPOSE

- To assist low to moderate income families with financial assistance to achieve the dream of homeownership

- To encourage middle income households to repopulate designated areas within the city limits

- To enhance employment opportunities with the City of Memphis Police and Fire Departments and Shelby County Schools
### GENERAL GUIDELINES FOR DPA PROGRAMS

- All DPA Programs will be awarded as Deferred Payment Loans (DPL) with no monthly payments required
  - 2nd mortgage lien
  - Property must remain primary residence during for 5 year affordability period
  - Funds can only be used for down payment and closing costs

- Applicant must be approved for 1st Mortgage with DPA Approved Lender
  - Must meet household income guidelines
  - All properties must be in the Memphis City Limits
  - All property must be owner-occupied
  - Assistance available up to 10% of the sale price, maximum $10,000
CITYWIDE DPA PROGRAMS

- Citywide DPA
  - Must be first-time homebuyer.
  - Income must be at or below 80% AMI
  - May purchase anywhere inside city limits

- All CWDPA Programs require a passing property inspection
HOMEBUYER INCENTIVE PROGRAM CITIZENS (HIP CITIZENS)

• May purchase anywhere inside the designated areas - see next slide
• Household income must be between 81-200% AMI
• Do not have to be a first-time homebuyer but may not own other property at the time of sale using DPA funds
HIP CITIZENS
DESIGNATED AREAS

<table>
<thead>
<tr>
<th>Designated Areas and Zip Codes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Beltline</em></td>
<td><em>Binghampton/Highland Heights</em></td>
</tr>
<tr>
<td><em>Carnes Neighborhood</em></td>
<td><em>Hickory Hill</em></td>
</tr>
<tr>
<td>38106</td>
<td>38118</td>
</tr>
<tr>
<td>38107</td>
<td>38122</td>
</tr>
<tr>
<td>38108</td>
<td>38126</td>
</tr>
<tr>
<td>38109</td>
<td>38127</td>
</tr>
<tr>
<td>38114</td>
<td>38128</td>
</tr>
<tr>
<td>38116</td>
<td><em>Property must be within DPA Boundary. Please see map or verify with DPA Department before submitting file.</em></td>
</tr>
</tbody>
</table>

HIPC Designated Areas
## HUD AREA MEDIAN INCOME (AMI) EFFECTIVE 7/1/21

<table>
<thead>
<tr>
<th>Household Size</th>
<th>80% AMI Citywide DPA</th>
<th>Over 80% - 200% HIP Citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$38,500</td>
<td>$38,501 - $96,250</td>
</tr>
<tr>
<td>2</td>
<td>$44,000</td>
<td>$44,001 - $110,000</td>
</tr>
<tr>
<td>3</td>
<td>$49,500</td>
<td>$49,501 - $123,750</td>
</tr>
<tr>
<td>4</td>
<td>$54,950</td>
<td>$54,951 - $137,375</td>
</tr>
<tr>
<td>5</td>
<td>$59,350</td>
<td>$59,351 - $148,375</td>
</tr>
<tr>
<td>6</td>
<td>$63,750</td>
<td>$63,751 - $159,375</td>
</tr>
<tr>
<td>7</td>
<td>$68,150</td>
<td>$68,151 - $170,375</td>
</tr>
<tr>
<td>8</td>
<td>$72,550</td>
<td>$72,551 - $181,375</td>
</tr>
</tbody>
</table>
HOMEBUYER INCENTIVE PROGRAMS

TEACHER  POLICE  FIRE

• No household income limits
• May purchase anywhere inside city limits
• Required to maintain employment and residence during the five year affordability period
  • Teachers – Shelby County Schools: Certified K-12, full-time classroom teacher, minimum of 2 years employment
  • Police – City of Memphis Police: Commissioned Officer, minimum of 1 year employment
  • Fire – City of Memphis Fire: Front line (fire fighter, paramedic, or EMT), minimum of 1 year employment
THE DPA PROCESS

Lender submits file to DPA Department
DPA reviews file and determines eligibility
DPA notifies lender when file is approved and documents and check are ready
Processing time – up to 10 business days
HOUSING COUNSELING

• All first-time homebuyers must attend an 8 hour HUD Certified housing counseling class
• Due to COVID-19, online counseling certificates are being accepted, until further notice
• HIP Programs- Buyers who have owned a home within the last 3 years are not required to attend housing counseling.
DPA CONTACT INFORMATION

170 N Main Street, 4th Floor
Memphis, TN  38103

901.636.7474
dpa@memphistn.gov

Jennifer Hart, Analyst 901.636.7368
jennifer.hart@memphistn.gov

Gloria Washington, Analyst 901.636.7441
gloria.Washington@Memphistn.gov
Thank you for attending!

Contact CONVERGENCE Memphis at Affordablehousing@mba.org or visit mba.org/convergencememphis