



## SNI HOMEOWNERSHIP VIRTUAL WORKSHOP

June 2, 2020 at 6PM

Workshop slides are available at [www.okc.gov/sni](http://www.okc.gov/sni).

Please put your device on **mute** until the Q & A.

Feel free to use the chat box if you have a question or comment.



# STRONG NEIGHBORHOODS INITIATIVE

*better communities together*

[okc.gov/sni](http://okc.gov/sni)

[twitter.com/OKC\\_SNI](https://twitter.com/OKC_SNI)

[facebook.com/SNIOKC](https://facebook.com/SNIOKC)

[IG: okc\\_sni](https://www.instagram.com/okc_sni)



visioning



collaboration



commitment



placemaking



**Shannon Entz & Jennifer Sylvester**  
City of OKC Planning Department

# CORONAVIRUS AID, RELIEF & ECONOMIC SECURITY

- Assistance with rent, mortgages, electric, gas & water
- Call Community Action at 232-0199
- <https://www.caaofokc.org/coronavirus-aid-relief-application/>



# Tonight's Speakers



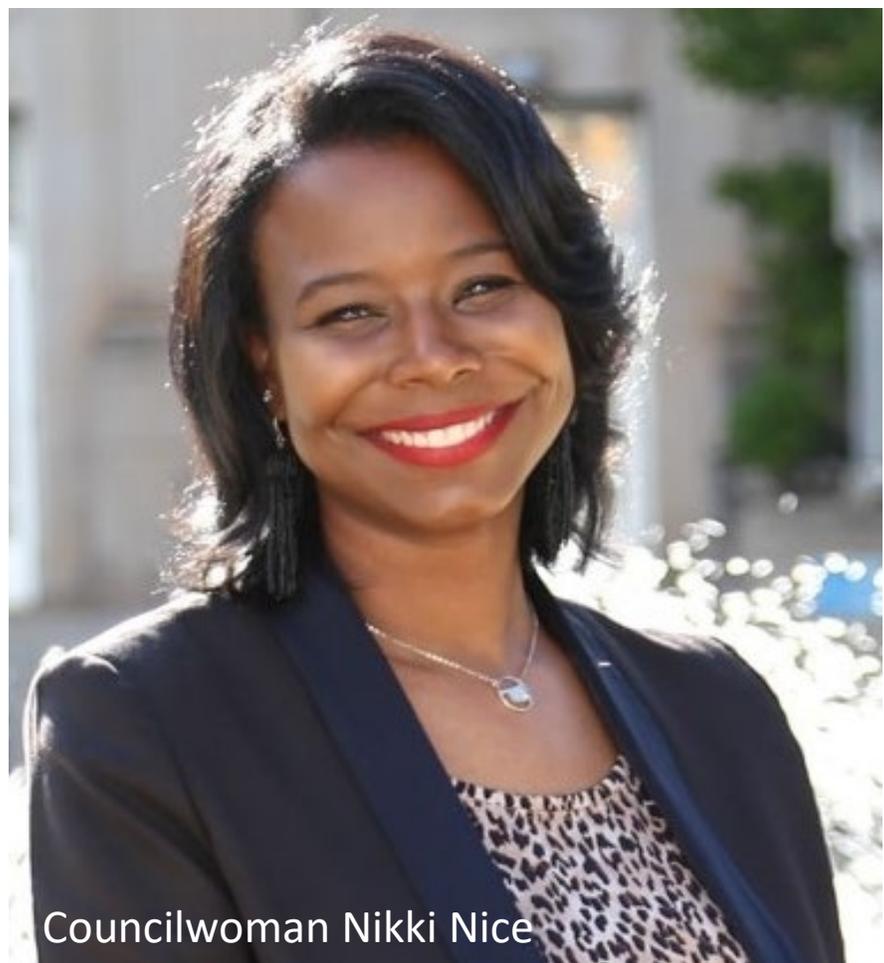
Sharon Gordon-Ribeiro



Alejandra Martinez



Ge'Andra Johnson



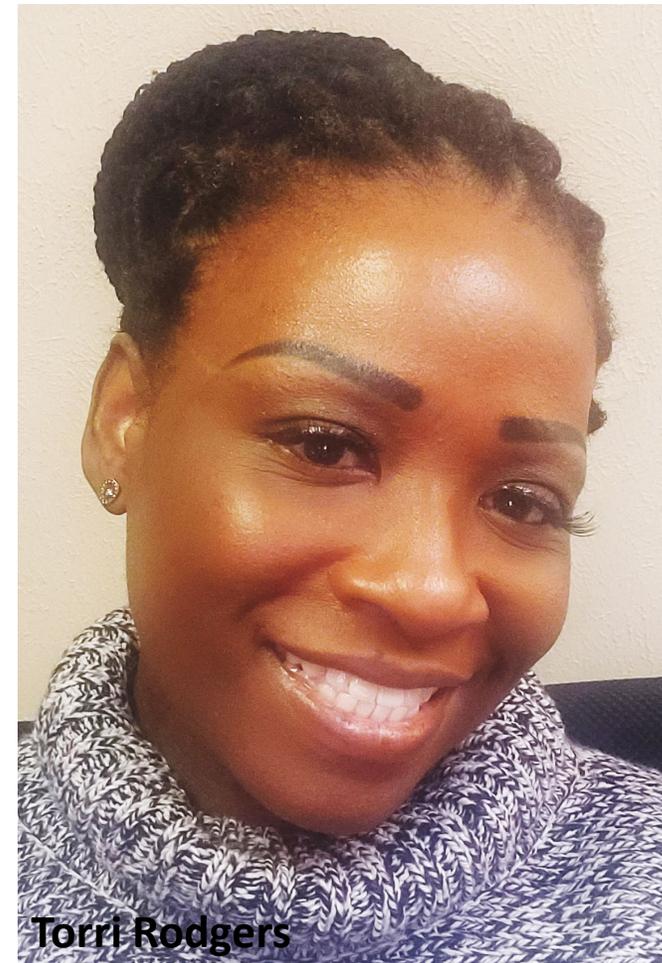
Councilwoman Nikki Nice



Andrew Pearson



Mary Dulan



Torri Rodgers

# Tonight's Agenda

1. **Welcome Home Message** from Nikki Nice, OKC Ward 7 Councilwoman
2. **Celebrating Homeownership Month:** *Sharon Gordon-Ribeiro, OKC HUD Field Office Director*
3. **The Homebuying Process:** *Torri Rodgers, HUD Certified Housing Counselor at NHS OK*
4. **Homeowners Insurance:** *Andrew Pearson, Farmers Insurance Agency*
5. **Q & A**
6. **Predatory Lending:** *Attorney Ge'Andra Johnson and Mary Dulan, Metro Fair Housing Council of OK*
7. **Down-Payment Assistance Opportunities:** *Alejandra Martinez, Community Action Agency*
8. **New, Affordable Homes Available in NE OKC**
9. **Local Housing Resources**
10. **Q & A**



Nikki Nice  
Ward 7 Councilwoman



Sharon Gordon-Ribeiro  
OKC HUD Field Office Director

# The Homebuying Process

Torri Rodgers, HUD Certified Housing Counselor

NEIGHBORHOOD HOUSING SERVICES OKLAHOMA

4101 N CLASSEN BLVD STE A OKC, OK 73118 405-231-4663

[WWW.NHSOKLA.ORG](http://WWW.NHSOKLA.ORG)

# Are you ready to purchase?

## Steps in the Home buying Process

- Prepare for homeownership
- Determine how much you can afford to spend
- Get your loan pre-approved
- Decide what kind of home you want and need
- Shop for a home

# Your Home-buying Team

- ▶ Real Estate Agent
- ▶ Lender
- ▶ Escrow officer -are neutral third parties that perform tasks that include preparing **escrow** instructions, holding and disbursing funds, preparing title documents and obtaining parties' signatures on paperwork
- ▶ Title Insurance Officer - search for claims that might jeopardize a buyer's rights to property purchased in a real estate transaction.
- ▶ Housing Inspector
- ▶ Appraiser
- ▶ Surveyor- is an individual who works for the local county office that conducts surveys of properties to determine boundary lines and identify easements and encroachments that may affect the title on the home
- ▶ Insurance Agent
- ▶ Housing Counselor

# Why is Good credit important?

- Good credit will help open a checking account
- To establish utility services in your name
- To obtain insurance at a lower rate
- Get approved for car loan with lower interest rates
- Employers may check for credit to see if potential or current employee is financially responsible, typically with Executive positions

# Reviewing your credit report

- Identify information, making sure there is accurate information on your report
- Credit information is listed
- Public records
- Inquiries

# Getting a mortgage loan

- **Research** banks, credit unions, brokers, mortgage lenders for best interest rate
- **Get pre-approved**
- **Complete loan application**
- **Loan processing-** The steps taken by an institution lender from the time a request for a **loan** application is received to the time the **loan** is approved or denied, including taking the application, credit investigation, evaluation of the **loan** and other steps.
- **Underwriting** -performs critical evaluation the credit worthiness of a potential customer and whether or not to offer it a loan. They evaluate the credit history of the customer through their past financial record, statements, and value of collaterals provided, etc.
- **Approval of loan**
- **Loan Closing** -is when you and all the other parties in a mortgage **loan** transaction sign the necessary documents. After signing these documents, you become responsible for the mortgage **loan**

# Types of Mortgage Loans- Government Loans and Conventional loans

## FHA Loans

FHA Loans - a government-backed mortgage insured by the Federal Housing Administration, or FHA for short. Popular with first-time homebuyers, FHA home loans require lower minimum credit scores and down payments than many conventional loans.

FHA loans come in fixed-rate terms of 15 and 30 years.

Upfront mortgage insurance premium: 1.75 percent of the loan amount, paid when the borrower gets the loan. The premium can be rolled into the financed loan amount.

## VA Loans

This option is available to veterans, Reservists, active duty military, or even surviving spouses of veterans. The VA loan is typically considered the best loan option out there because it requires no down payment, no private mortgage insurance, flexibility with credit scores, and more.

## USDA Loan

These loans are great if you're interested in purchasing a home in a smaller, rural or eligible suburban community, since USDA loans provide the opportunity to own a home in those areas at affordable interest rates. "Smaller" or "rural" doesn't necessarily mean "farmhouse", it just means the neighborhood has to be under a certain population that qualifies it as "rural" — some are surprisingly suburban.

# Conventional Loans

**Conventional loan** is a loan purchased by Fannie Mae or Freddie Mac, and typically require a minimum of 3-5% down.

**A credit score of at least 680 and, preferably, well over 700.** The higher the score, the lower the interest rate on the loan, with the best terms being reserved for those over 740.

**An acceptable debt-to-income ratio (DTI). This is the sum of your monthly obligations compared to your monthly income.** That number is around 36% and no more than 43%.

**A down payment of at least 20% of the home's purchase price readily available.** Lenders can and do accept less, but if they do they often require that borrowers take out private mortgage insurance and pay its premiums monthly until they achieve at least 20% equity in the house.

# Shopping for a Home

- ▶ Real Estate Agent- is an individual who is licensed to negotiate and arrange real estate sales for a commission. The seller usually pays the commission of both buyer and seller realtors.
- ▶ Initial Offer letter- Real Estate agent will consult with homebuyer to determine a price to offer the sellers.
- ▶ The buyer's real estate agent writes a sales contract stating the determined price and gives this to the seller's real estate representative.
- ▶ Negotiations- Sellers may accept the buyer's initial offer, decline the initial offer, or make a counter-offer. (Sellers may adjust time frame of closing or ask for higher price). Realtor will help navigate this process
- ▶ Earnest Money-Buyer and Seller reach an agreement on a price and terms of deal, the buyers will give the sellers a check. (prove to buyers' sincere intent to purchase the home, typically 1% to 10% of sales price can be negotiated).

# Why Get a Home Inspection

- ▶ A home inspection gives the buyer more detailed information about the overall conditions of the home prior to purchase.
- ▶ In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home.
- ▶ You must ask for a home inspection. It is not required. It is important for you to decide on this early.
- ▶ You may also make your contract contingent on the results of the home inspection.

# Items Checked in a Home Inspection

## **Structural**

- ▶ Foundation
- ▶ Roof
- ▶ Doors
- ▶ Windows
- ▶ Ceilings
- ▶ Walls
- ▶ Floors

## **Mechanical**

- Plumbing
- Electrical systems
- Heating
- Air conditioning
- Insulation
- Ventilation
- Septic systems

# Day of Inspection

- ▶ The inspection can take typically anywhere between 2-3 hours for an average single-family home (expect more time for larger homes)
- ▶ Cost of a home inspection varies per home inspector. They can run anywhere between \$250- \$500.
- ▶ Make sure you ask ahead of time what your inspector will look for to make sure they are able to accommodate your needs based off the home you have.
- ▶ The home inspection is a limited inspection of the property that describes the condition and does not guarantee future condition.



Torri Rodgers, HUD Certified Housing Counselor

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The Andrew Pearson Agency  
Pray | Prepare | Protect



# Homeowner's Insurance

Presented By: Andrew Pearson

## WHAT IS IT?

**Risk = *the possibility of financial loss***

Insurance is a legal contract that transfers risk from a policyholder to an insurance provider

## Why is risk important for insurance?

Risk analysis is what insurance companies use to determine whether or not to offer you insurance coverage and at what price.

## What are the risk factors?

- Type of home (single family, town home, high rise)
- Square footage
- Address (city, zip code, county)
- Pets
- Pool
- Age of roof (**Renewal**)
- Business being conducted on premises?
- Personal property (including furniture, electronics, high value items, etc.)
- Special safety features (security, alarms, sprinklers, high impact shingles)
- Credit rating of policyholder (**Renewal**)
- Prior insurance history (**Renewal**)
- Construction type (brick, frame, etc.)
- Roof type (shingle, tile, metal, flat, etc)

## Why do I need homeowner's insurance?

Your home is likely to be the biggest investment you will ever make. Loss or major damage to this asset would cause a financial disaster if you don't protect it with a quality insurance policy.

**...THIS IS WHY IT IS IMPORTANT TO TAKE TIME FOR THIS  
PROCESS**

## Key Coverages and Considerations

**Coverage A:** Dwelling (The home itself).

**Coverage B:** Other Structures (Any structure that is not attached to the home).

**Coverage C:** Personal Property (Anything you will take if you were to move).

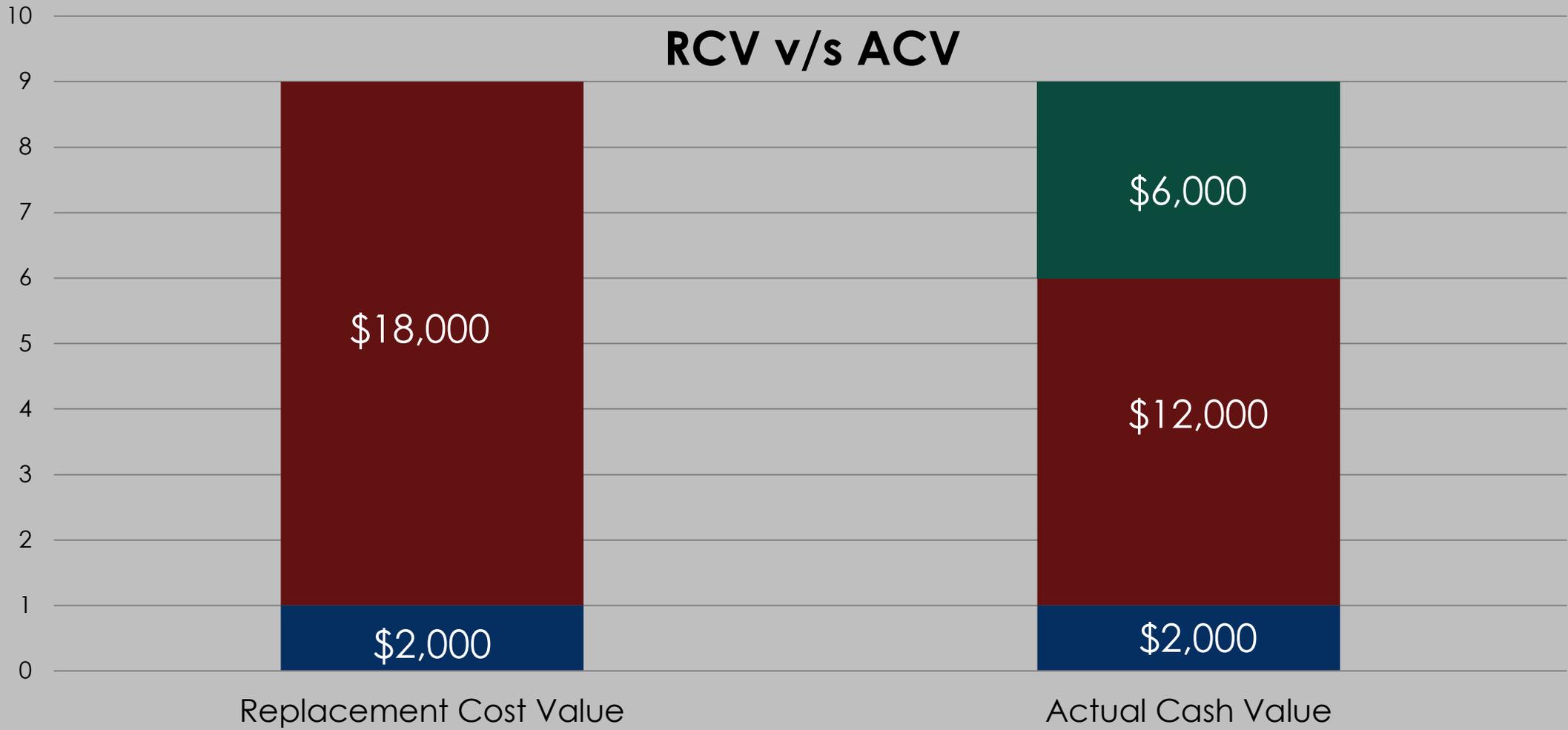
**Coverage D:** Loss of Use (Temporary assistance for food, clothing, and shelter).

**Coverage E:** Personal Liability (Your legal defense and/or medical expenses of someone else).

**Deductibles:** Your financial obligation before a claim is paid.

# Homeowner's Insurance

## RCV v/s ACV



■ Deductible ■ Insurance Pay ■ You Pay



## Questions?

Andrew Pearson, Agency Owner  
5509 Main St. STE 104  
Del City, OK 73115

Cell: 405-474-0904

Office: 405-510-3666

## Questions about the Homebuying Process or Insurance?

You may unmute your device to ask a question or type your question in the Zoom chat box.

# PREDATORY LENDING

Ge' Andra Johnson, Attorney



## **METROPOLITAN FAIR HOUSING COUNCIL OF OKLAHOMA, INC.**

312 N.E. 28th Street, Suite 112  
Oklahoma City, Oklahoma 73105

Telephone: 405.232.FAIR (3247) / Fax: 405.232.5119

[www.metrofairhousing.org](http://www.metrofairhousing.org)

*"Fighting Housing Discrimination in Oklahoma Since 1979"*

# What is a Predatory Loan?

- Any loan that has a higher Interest Rate than the average (current) Interest Rate, and/or
- Any loan with higher than average Annual Percentage Rates (APR), front-loaded fees (hidden and visible), prepayment penalties, and/or other terms that are deceptive and fraudulent that entice a borrower to accept the loan.

In Mortgage Lending, “*Predatory Lending Practices*” are violations of a federal law, Title VIII of the Civil Rights Act of 1968-1988 Amendments (the Fair Housing Act).

## When searching for a mortgage, *remember*:

- The “***Interest Rate***” is what it costs you to borrow the “Principal” of your home loan
- The “**Annual Percentage Rate (APR)**” includes costs associated with making the loan, such as closing costs, brokers fees, loan origination fees, etc.
- Predatory Lenders will offer you a loan that is “too good to be true.” They target minorities, the elderly and women with home loan offers, many times selecting by zip codes.

# *Look Out for Predatory Lending Practices!*

- An offer by a lender to make a mortgage loan, regardless of bad credit or no credit,
- Offer by a lender to finance the mortgage loan for more than you asked for, and include other debt in the loan,
- Offer by a lender to finance your mortgage loan with a small monthly payment, though the rates are variable, and the loan will have a large balloon payment at the end of a period of years.
- This means you will have to refinance, because you will not be able to pay off the balance of the debt and will be in a new cycle of debt which will lead to foreclosure.

# *Housing Discrimination is Against the Law!*

If you or someone you know have experienced housing discrimination, contact:



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312 N.E. 28th Street, Suite 112  
Oklahoma City, Oklahoma 73105

Telephone: 405.232.FAIR (3247) / Fax: 405.232.5119

[www.metrofairhousing.org](http://www.metrofairhousing.org)

***"Fighting Housing Discrimination in Oklahoma Since 1979"***

# OKC HOME Down-Payment & Closing Costs Assistance Program

Alejandra Martinez, Housing Counselor

405.232.0199

[hcounselor@caaok.org](mailto:hcounselor@caaok.org)

[www.caaok.org](http://www.caaok.org)



# OKC HOME Down-Payment & Closing Cost Assistance Program

## Overview of Program Requirements

- You may be eligible for up to **\$14,999** in assistance!
- Applicant(s) are NOT required to be a First Time Homebuyer.
- Attend HUD Certified Homebuyer Education Class.
- Household must meet current income guidelines.
- Applicant(s) must secure a 1st Mortgage with either a bank, credit union or mortgage company to purchase the home.
- Applicant(s) debt-to-income ratios must be no more than 31% housing ratio and 43% total debt ratio. Applicant(s) can receive minimum 5% down payment but goal is 10% down payment.
- Purchase Price must not exceed \$140,000 existing, \$228,000 new construction.
- Applicant(s) minimum investment toward the purchase is 1% to 1.75% of the purchase price and may be in the form expenses paid up-front by applicant(s) (before closing) for fees such as earnest money, house inspection fee, appraisal, credit report, pest control inspection, etc.

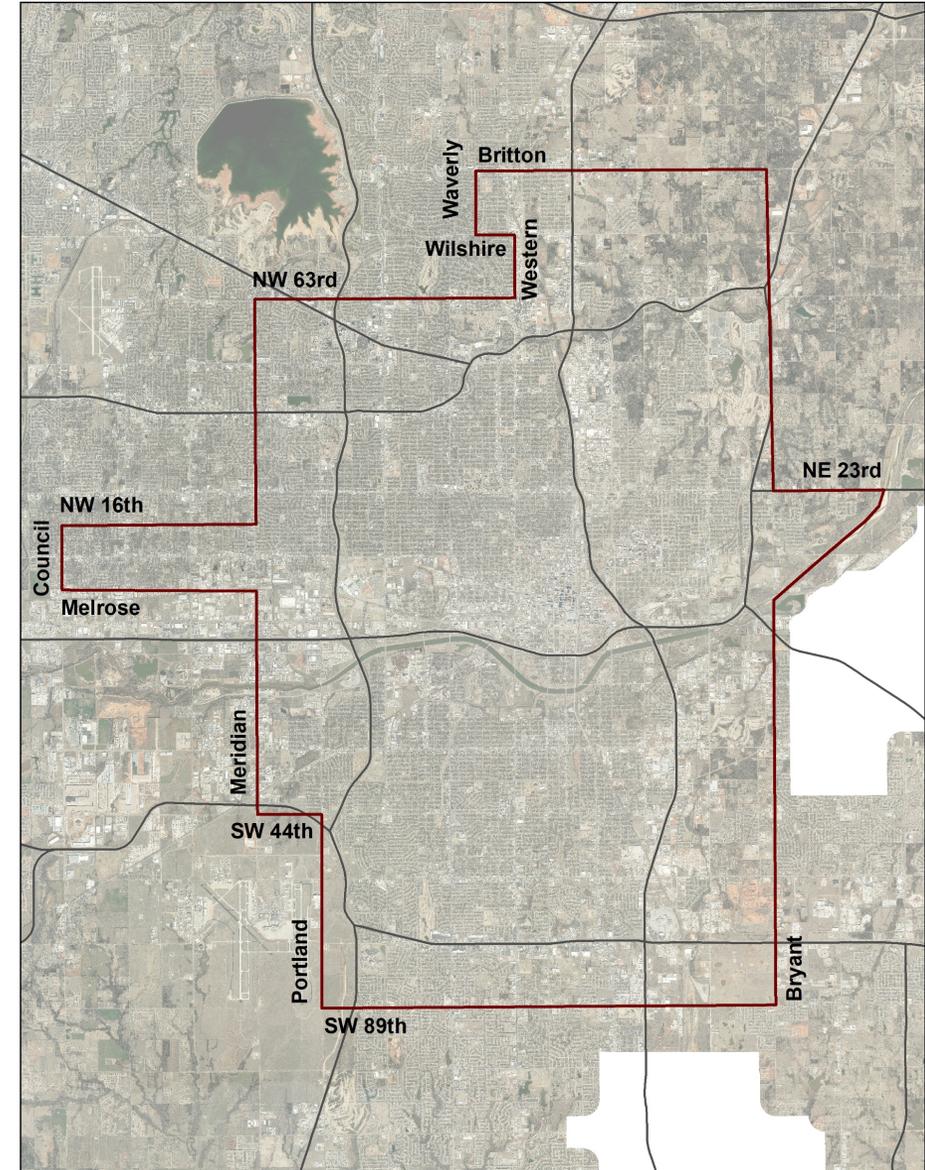
### INCOME GUIDELINES (effective 06/28/19, subject to change)

\$41,350	1
\$47,250	2
\$53,150	3
\$59,050	4
\$63,800	5
\$68,500	6
\$73,250	7
\$77,950	8

# OKC HOME Down-Payment & Closing Cost Assistance Program

## Overview of Program Requirements Continued

- Home must be located within program boundary
- Applicant(s) funds in excess of \$15,000 must go toward the purchase of the home, as practicable.
- Applicant(s) must have 2 months reserves of their anticipated mortgage payment. Further details will be given at appointment.
- Applicant(s) must occupy the property as primary residence for the Five-Year Affordability Period.
- Home must be owner-occupied or if a rental, it must either be vacant for the last 3 months or have been rented to no one other than the Buyer.
- Home must pass Housing Quality Standards Inspection prior to close.
- Other requirements apply, so please contact CAA or NHS!



# OKC HOME DPA Providers and Homebuyer Education Classes



Alejandra Martinez, *Housing Counselor  
and Down-Payment Assistance*

405.232.0199 x3201

[hcounselor@caaok.org](mailto:hcounselor@caaok.org)

[www.caaok.org](http://www.caaok.org)

**Next classes: August 14<sup>th</sup> and August 28**

Enroll by phone or go to:

<https://www.caaofokc.org/services/housing-services/homebuyer-education/>



Torri Rodgers, *HUD Certified Housing  
Counselor and Down-Payment Assistance*

405.231.4663

[torrir@nhsokla.org](mailto:torrir@nhsokla.org)

[www.nhsokla.org](http://www.nhsokla.org)

**Next classes: June 9<sup>th</sup> and June 23<sup>rd</sup>!**

Enroll by phone or go to:

<https://www.nhsokla.org/home-ownership/homebuyer-education/>

# Homes Under Construction & For Sale in NE OKC



**945 NE 29th**  
3 bed 2 1/2 bath  
1,412 sqft  
2 car detached garage  
\$160,968



**720 NE 30th**  
2 bed 2 bath  
1,112 sqft  
\$126,768



**821 NE 31st**  
2 bed 2 bath  
1,002 sqft  
\$114,228



[positivelypaseo.org](http://positivelypaseo.org)

405.557.0700

[info@positivelypaseo.org](mailto:info@positivelypaseo.org)

# Homes Under Construction & For Sale in NE OKC



**1700 NE Euclid**  
3 bed 2 1/2 bath  
1,750 sqft  
\$227,500



**1701 NE Euclid**  
3 bed 2 1/2 bath  
1,673 sqft  
\$217,490



**1712 NE Euclid**  
3 bed 2 bath  
1,092 sqft  
\$125,000

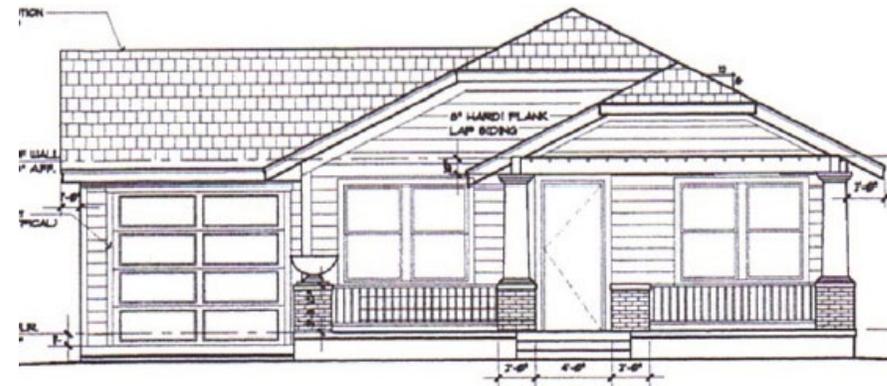


Sarah Bytyqi at Verbode 405.757.7001 [team@verbodegroup.com](mailto:team@verbodegroup.com)

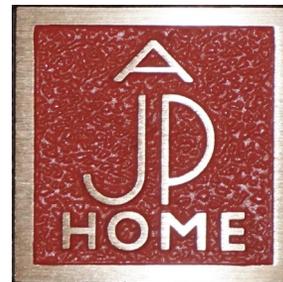
# Homes Under Construction & For Sale in NE OKC



**1621 NE Euclid**  
3 bed 2 bath  
1,483 sqft  
\$ TBD



**1625 NE Euclid**  
3 bed 2 bath  
1,483 sqft  
\$ TBD



# SNI Housing Partners



Sheryl Lovelady, *Executive Director*  
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# SNI Housing Partners



**The City of  
OKLAHOMA CITY**  
Planning Department  
Housing and Community Development Division

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financial-assistance/residential](http://www.okc.gov/departments/planning/financial-assistance/residential)



Metropolitan Fair Housing Council of Oklahoma, Inc.

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Oklahoma Housing Finance Agency  
*Homebuyer Down Payment Assistance  
through approved lenders*  
<https://www.ok.gov/ohfa/Homebuyers/index.html>



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405.208.5207  
[rkling@okcu.edu](mailto:rkling@okcu.edu)  
[www.okcu.edu](http://www.okcu.edu)



Family Self-Sufficiency Program  
405.605.3279  
[fss@ochanet.org](mailto:fss@ochanet.org)  
[www.ochanet.org/leased\\_housing/p  
articipant\\_assistance\\_programs.php](http://www.ochanet.org/leased_housing/participant_assistance_programs.php)



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# CORONAVIRUS AID, RELIEF & ECONOMIC SECURITY

- Assistance with rent, mortgages, electric, gas & water
- Call Community Action at 232-0199
- <https://www.caaofokc.org/coronavirus-aid-relief-application/>



# THANK YOU TO OUR SNI PARTNERS!



THANK YOU!

Go to [www.okc.gov/sni](http://www.okc.gov/sni) for today's slides.

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[okc.gov/sni](http://okc.gov/sni)

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[facebook.com/SNIOKC](https://facebook.com/SNIOKC)

**405.297.2911**

