

Memphis Virtual Homebuyer Fair

August 28, 2021

10:00 am – 1:00 pm

Partners

Tennessee Housing Development Agency
United Housing, Inc.
Frayser CDC



United Housing
homeownership starts here

HOMEOWNERSHIP

PRESENTER:

MRS. PRISCILLA REED, MBA

Director of Homebuyer Education & Counseling

HUD Certified Housing Counselor

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

dreams



goals



action plan



reality!



UNITED HOUSING STAFF

EXECUTIVE DIRECTOR: AMY SHAFTLEIN



FRAYSER

Community Development Corporation

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

Shop for a home



Shop for a Home

Decide on the type of home you need and want



Decide What Kind of House You Need

Get a pre-approval



Get Your Loan Pre-approved

Determine how much you can afford



Determine How Much You Can Afford

Prepare for Homeownership



Prepare for Homeownership



FRAYSER
Community Development Corporation

Steps to Homeownership

Close on your loan



Buy Insurance and additional Inspections



Apply for a mortgage loan



Get a professional Home Inspection



Make an Offer



FRAYSER
Community Development Corporation

Steps to Homeownership



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FRAYSER
Community Development Corporation

5 Reasons to Buy a Home Now



Brody Wamble
Community Affairs
Simmons Bank

7.



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

2.

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

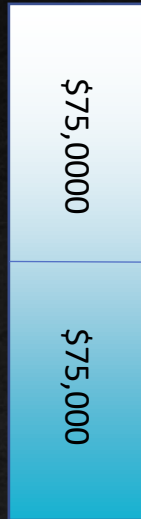


3.

Home Equity –

the difference between the home's fair market value and the outstanding balance

\$150,000 Home Value



50%

Equity

50%

Mortgage

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

4.



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

UNDERSTANDING CREDIT



**Greater Memphis
Financial
Empowerment
Center**

*Free One-on-One
Financial Counseling*

Presenter

KAREN MADLOCK

OPERATIONS MANAGER



**REGINA MORRISON NEWMAN
SHELBY COUNTY TRUSTEE**



RISE

responsibility.initiative.solutions.empowerment

WHAT IS CREDIT?

Credit is the ability to borrow money or access goods or services with the understanding that you'll pay later.

CREDIT REPORTS

- 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

ACCESS
YOUR
CREDIT
REPORT

Creditkarma.com

Annualcreditreport.com

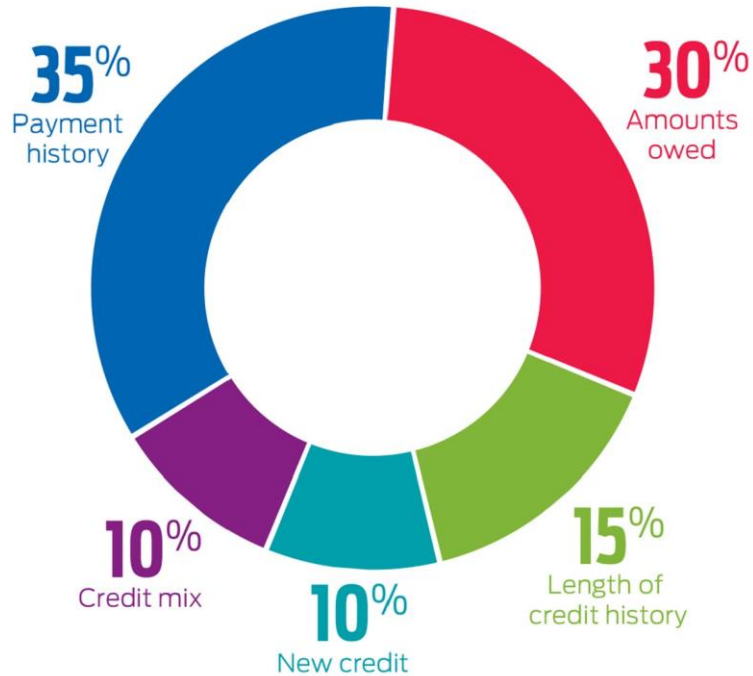
Credit Cards usually give
free credit reports

FICO CREDIT SCORE

- 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.



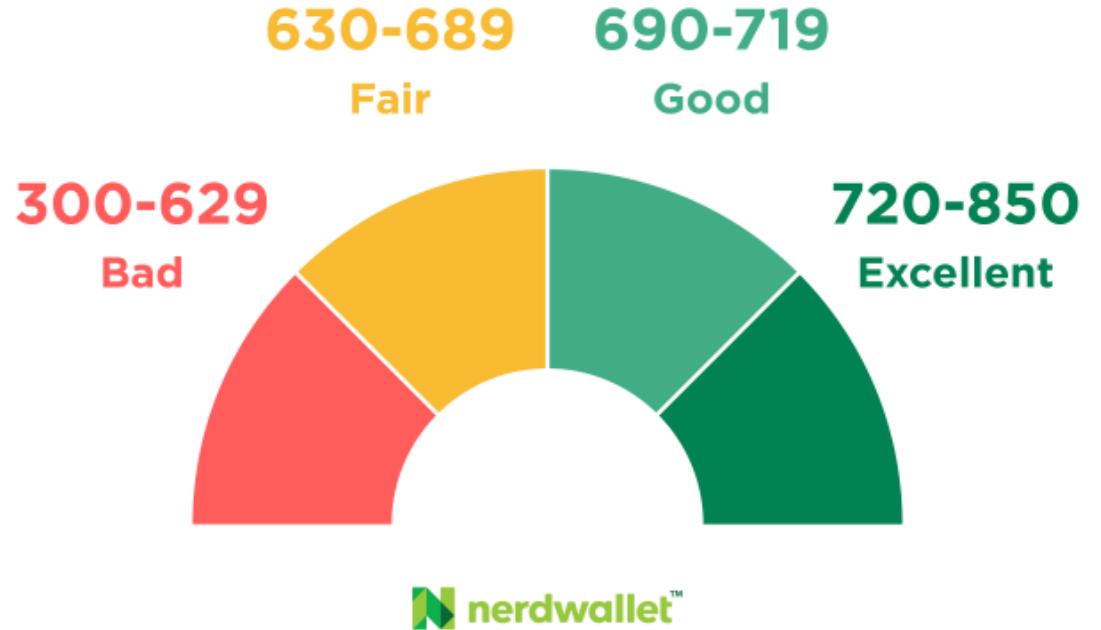
Adding Up the FICO Score



SOURCE: MyFICO

DETERMINING YOUR CREDIT SCORE

CREDIT RANGE





Greater Memphis Financial Empowerment Center

*Free One-on-One
Financial Counseling*

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



REGINA MORRISON NEWMAN
SHELBY COUNTY TRUSTEE



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**Greater Memphis
Financial
Empowerment
Center**

*Free One-on-One
Financial Counseling*

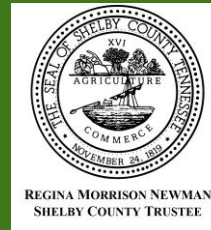
**FREE UNBIASED ONE-ON-ONE FINANCIAL
COUNSELING**

**ALL SHELBY COUNTY RESIDENTS ARE
ELIGIBLE REGARDLESS OF INCOME**

**Virtual or Telephone Sessions by
Appointment Only**

901-390-4200

<https://fecpublic.org/appointment-greatermemphis>



Budgeting 101

June 2, 2021



Presented by:

Wonderful Wanda

Financial Wellbeing Program Manager

Operation HOPE

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





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

MRB First Mortgage	MRB First Mortgage	MBS First Mortgage
	<i>Homeownership for the Brave</i>	 <small>GC97 Freddie Mac HFA Advantage Program</small>
30 Year Fixed Rate FHA, VA, USDA, CONV THDA Sets Rate	30 Year Fixed Rate Discounted Rate FHA, VA, USDA, CONV 50 BPS Reduction	30 Year Conventional Fixed Rate Freddie Mac Product THDA Sets Rate Daily
ALL ELIGIBLE APPLICANTS	ELIGIBLE MILITARY, VETERANS, SPOUSES	NOW AVAILABLE

What is Down Payment Assistance?

- Second Mortgage Financing
- Low Interest Rates
- Covers Down Payment And Closing Costs

**GREAT CHOICE
PLUS DPA**

**Second Mortgage
15 Year Term
Fixed Rate
Rate Same as First Mortgage
Fully Amortizing
No Prepayment Penalty**

Available For Great Choice

**AVAILABLE ON ALL
PROGRAMS**

**THDA PROVIDES
\$6,000 < \$150,000
\$7,500 ≥ \$150,000
Towards Down Payment
and/or Closing Costs**

THDA Sets the Rate

NEW! Coming September 13th, 2021

SECOND MORTGAGE	SECOND MORTGAGE
DEFERRED- NO PAYMENT OPTION	PAYMENT TERMS OPTION
THDA PROVIDES \$6,000 (DEFERRED – NO PAYMENT) Towards Down Payment and/or Closing Costs	THDA PROVIDES 6% of the Sales Price (PAYMENT TERMS) Towards Down Payment and/or Closing Costs To a Maximum of \$22,500
ALL ELIGIBLE APPLICANTS	ALL ELIGIBLE APPLICANTS

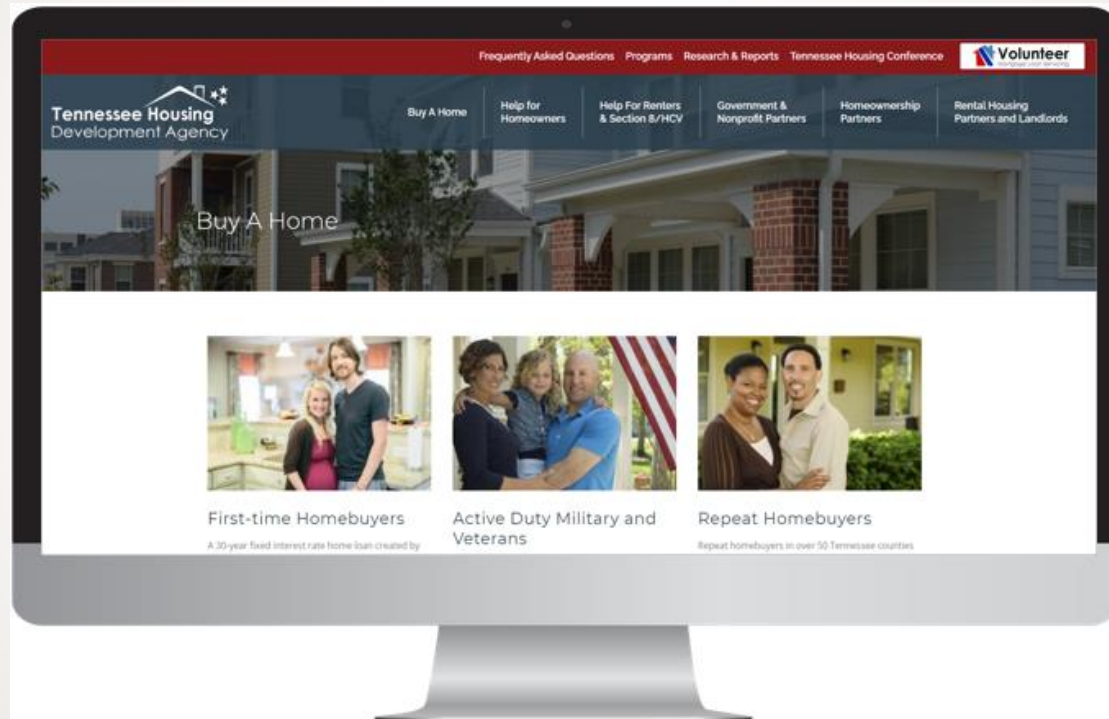
THDA Bond Program Criteria

- **F**irst Time Homebuyer
- **H**ousehold Income Limits
- **A**cquisition Cost Limits
- **S**ingle Family Residence
- **O**wner Occupied
- **S**core- Mid Credit Score 640
- **H**omebuyer Education Required

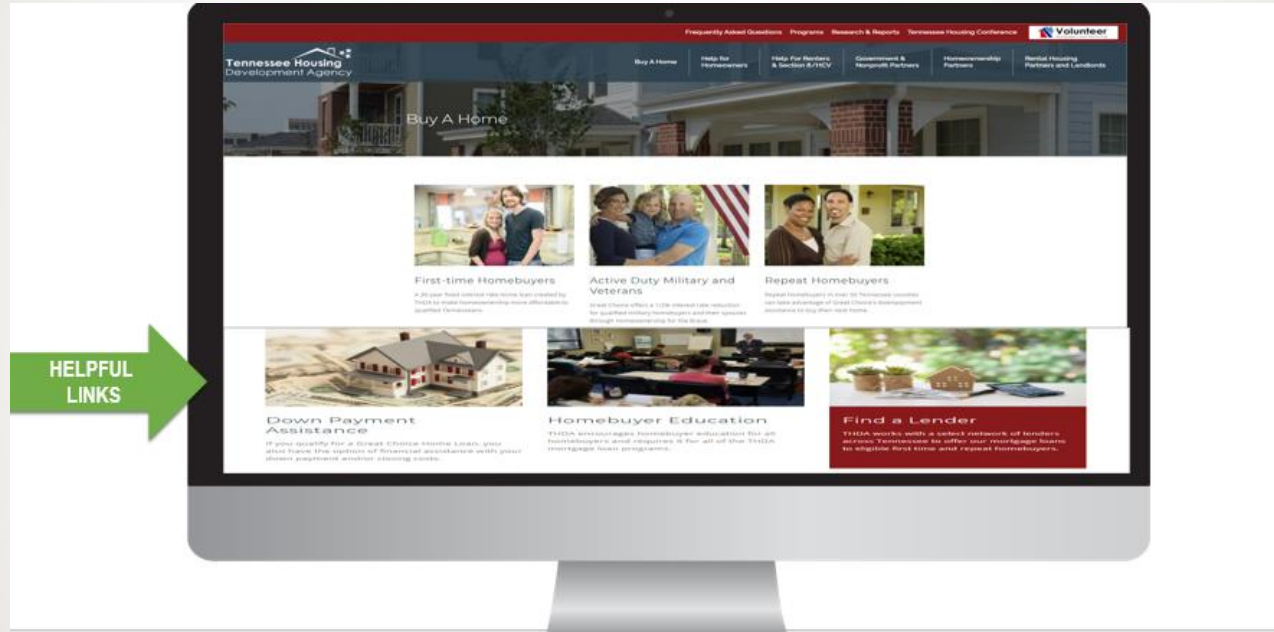
THDA Freddie Mac Conventional Program Criteria

- **F**irst Time Homebuyer Not a Requirement
- **I**ncome Limits per Freddie Mac 80% AMI
- **A**cquisition Cost Limits
- **S**ingle Unit Residence
- **O**wner Occupied
- **S**core- Mid Credit Score 660
- **H**omebuyer 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: Charia 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

Designated Areas and Zip Codes

*Beltline	*Binghampton/Highland Heights
*Carnes Neighborhood	*Hickory Hill
38106	38118
38107	38122
38108	38126
38109	38127
38114	38128
38116	<i>*Property must be within DPA Boundary. Please see map or verify with DPA Department before submitting file.</i> HIPC Designated Areas

HUD AREA MEDIAN INCOME (AMI) EFFECTIVE 7/1/21

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

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