



Home Buying Webinar

Presented By: Member First Mortgage, LLC

NMLS ID# 149532



What We Will Cover



- Qualifying for a Home Loan
- Types of Loan Products
- Overcoming the Challenges of Today's Market
- Preparing for a Home Loan application
- Potential Benefits of Home Ownership





Qualifying for a Home Loan

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Qualifying for a Home Loan



What Credit Score Do I Need?

- Credit Reports are pulled from the 3 primary credit bureaus:
Experian, TransUnion, Equifax
- The lowest middle score is what counts
- The lower the score (especially on Conventional loans), the higher the interest rate
- Scores range from 350 to 850
- For mortgage qualification, minimum scores range from 580 to 640 depending on product and lender

How are credit scores calculated?

Payment History - 35%

- Have you paid your bills on time
- Most recent history counts more

Capacity (How much you owe) - 30%

- What you owe vs limits on credit accounts

How long you have used credit - 15%

- More time gives a better indicator of how you pay

Inquiries (your last application for credit) - 10%

- Resist temptation to open new credit

The types of credit used - 10%

- Revolving and installment



Obtaining Your Credit Report



Visit: www.annualcreditreport.com

Call: 877-322-8228

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Credit Report Review



Confirm ID info is correct



Review credit accounts



Review the number of inquiries



Collections and Public Records

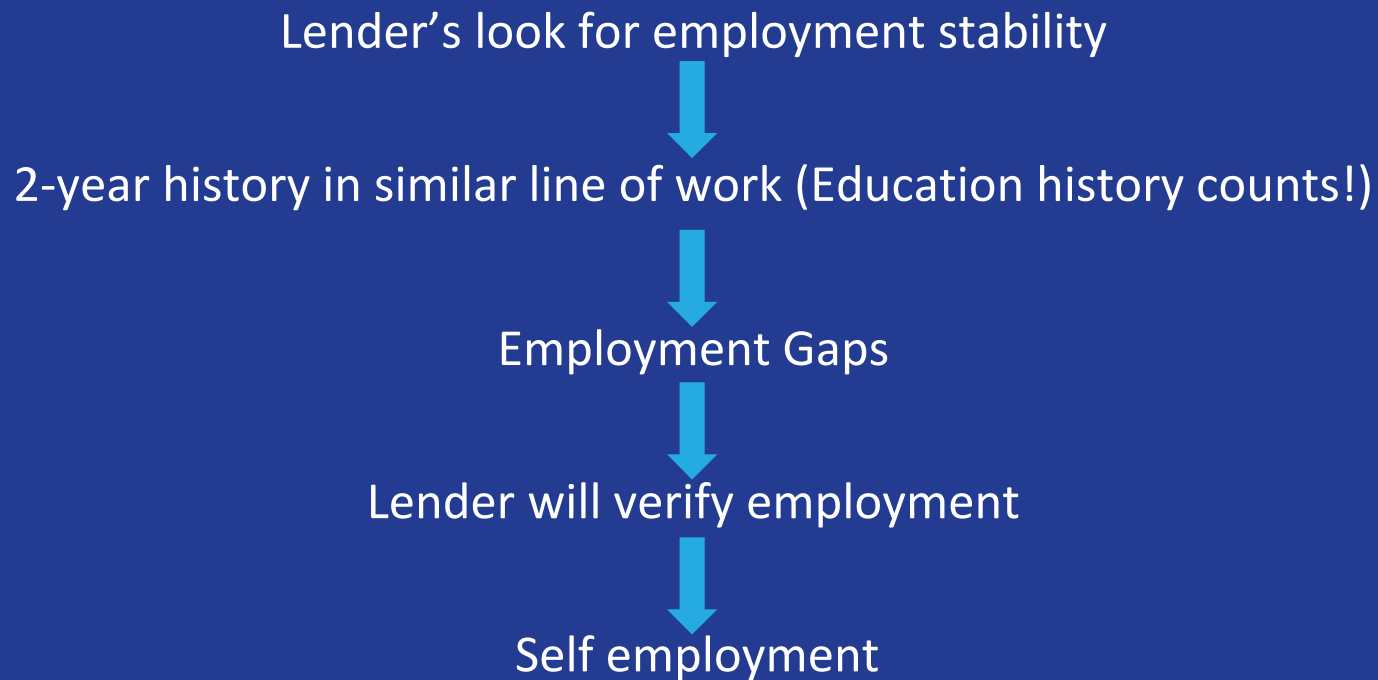


Improving Your Credit Score

- Pay your bills on time
- Pay down your debt
- Don't close your accounts
- Don't apply for new credit!



Employment



Sources of Income

- W2 Earnings
- Child Support & Alimony (not required to disclose)
- Rental Income
- Interest Income
- Other Income

Qualifying Ratios - General Guidelines



Housing Ratio: 30%

Total Debt Ratio: 43%



Source of Funds for Down Payment and Closing Costs



DEPOSIT ACCOUNTS



GIFT FROM A
RELATIVE



GIFT OF EQUITY



BORROWING AGAINST
AN ASSET



Down Payment and Closing Costs

- Down Payment
- Closing Costs
- Pre-Paid
- Reserves





Types of Loan Products

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Types of Loan Products

- Standard Conventional Loans
- Low Down Payment Conventional Loans
- Adjustable-Rate Mortgages
- Jumbo Loans
- USDA Loans
- FHA Loans
- VA Loans
- Construction Loans

Standard Conventional Loan Guidelines

- Maximum Loan Amount \$805,500
- Super conforming to \$1,209,750 in High- Cost Areas
- Down payment minimum 5%
- No Mortgage Insurance with down payment of 20% or more
- Best for borrowers who have saved for down payment and have acceptable credit
- Minimum credit score is 620
- 1-4 family residential units/Primary Residence, Vacation Homes and Investment Properties

Options for Conventional Low-Down Payment or Lower Rate Loan Products



Home Ready & Home Possible

- Lower income (80% AMI)
- Lower MI & Interest Rates
- Homebuyer counseling required
- 3% Down Payment

First Time Homebuyer 97% LTV

- One borrower must be a 1st time homebuyer
- No income limitations
- Primary Residence Only
- 3% Down Payment



Adjustable-Rate Products Offered by Austin Telco FCU



5/5 ARM

- Maximum Loan amount \$806,500
- Initial Rate 1% below the 15-year fixed rate at the time of the lock
- Maximum LTV 90% (greater than 80% LTV requires mortgage insurance)
- 620 minimum credit score
- Index for rate adjustment is the 5-year US Treasury Bill plus 2.5% margin, with caps of 2/2/5

15/15 ARM

- Maximum Loan Amount \$806,500
- 15-year fixed rate at the time of the lock
- Maximum LTV 90% (greater than 80% LTV requires mortgage insurance)
- 620 minimum credit score
- Index for one-time rate adjustment is the 30-day SOFR Index plus 2.5% margin, 5% cap



Jumbo Loans

- Loan limits – Loan exceeding the FHFA count loan limit
- Minimum Down Payments 15% (Higher for larger amounts)
- Minimum credit score is 680 but varies by LTV and Loan Size



USDA Loans

- 100% Financing Available
- Purchase & IRRL
- Minimum Credit Score (640)
- 1-4 family residential
- 1% upfront fee on purchase and .35 annual renewal
- Primary residence only
- Property must be in an eligible USDA Rural Area
- Maximum Household Income requirements

FHA Loans General Guidelines*

*FHA loans are not currently offered through Austin Telco FCU. FHA loans can be originated by Member First Mortgage, LLC through its Retail channel, or you may contact any FHA approved lender for information.



- Low-Cost Area Floor \$524,225
- High-Cost Area Ceiling \$1,209,750
- Down payment minimum 3.5% (with 580 minimum credit score)
- NOTE: 100% FHA Financing now available with a 600 minimum credit score and meeting all underwriting requirements
- Mortgage Insurance both upfront and monthly is required
- Gifts from acceptable sources may be used for down payment and/or closing costs



VA Loans General Guidelines*

*VA loans are not currently offered by Austin Telco FCU. Member First Mortgage, LLC can originate VA loans through its Retail channel, or you may contact any approved VA Mortgage Lender.



- Maximum Loan Amount \$1,000,000
- 100% loan amounts available to eligible veterans
- Funding Fee of 2.15% may be rolled into loan amount for 1st time use
- No monthly mortgage insurance
- Minimum Credit Score 580
- Primary Residence Only



Construction Loans General Guidelines

- Maximum Loan Amount \$806,500
- 90% Maximum LTV
- Purchase or (Refinance if lot is already owned)
- Licensed Contractors only
- Minimum Credit Score 720
- Primary Residence Only





Overcoming the Challenges of Today's Market

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Making Offers in Today's Market

- Know your market
- Get pre-qualified
- Do you need to sell your current home?
- Present a clean offer
- Tips to make your offer stand out

Knowing Your Market - Homes for Sale



Check Sources ie: Redfin

The screenshot shows the Redfin website interface for Austin, TX. The top navigation bar includes the Redfin logo, a search bar with 'Austin' entered, and links for 'Buy', 'Rent', 'Sell', 'Redfin Premier', 'Mortgage', 'Real Estate Agents', and 'Feed'. A 'Join / Sign in' button is also present. Below the navigation bar, there are filters for 'For sale', 'Price', 'Beds/baths', and 'Home type', along with an 'All filters' button and a 'Save search' button. The main content area displays 'Austin, TX homes for sale & real es...' with '350 of 4,317 homes' and sorting options for 'Recommended' and 'View: Photos'. Two property listings are visible: one for \$519,900 with 5 beds, 2.5 baths, and 2,898 sq ft; and another for \$750,000 with 4 beds, 2 baths, and 2,316 sq ft. A map on the right side shows the Austin area with numerous green pins indicating property listings, each labeled with a price. The map includes standard navigation controls like zoom in/out, pan, and a 'Remove outline' button.



Knowing Your Market - Demand



Austin, TX Housing Market

[Homes for sale](#) | [City guide](#)

The Austin housing market is not very competitive. Homes in Austin receive 2 offers on average and sell in around 96 days. The median sale price of a home in Austin was \$516K last month, up 3.3% since last year. The median sale price per square foot in Austin is \$309, down 2.8% since last year.

- Trends**
- Demand
- Migration
- Market Insights
- Top 10 Lists
- Schools
- Climate
- Transportation

Austin Housing Market Trends

What is the housing market like in Austin today?

In January 2025, Austin home prices were up 3.3% compared to last year, selling for a median price of \$516K. On average, homes in Austin sell after 96 days on the market compared to 87 days last year. There were 490 homes sold in January this year, down from 516 last year.

Median Sale Price

\$516,290

+3.3% year-over-year

of Homes Sold

490

-5.0% year-over-year

Median Days on Market

96

+9 year-over-year

All Home Types ▾

1 year **3 years** 5 years

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Getting Pre-Qualified

- Get a pre-qualification online: www.atfcu.org
- Consider providing documentation to get a stronger prequalification
- Pre-Qualifications are good for 90 days
- Reach out to your MC/MLO for more information

Do I have to Sell My Current Home?

- In today's market, you may not be as successful with a contingency clause in the contract.
- Consider renting back your current home for a short amount of time until you get a new home, to prevent a temporary move.
- Consult with your Loan Officer or Realtor!

Making an Attractive Offer

- No Contingency
- Have a strong Pre-Qualification Letter
- Bid Over Asking? Add Escalation Clause?
- Waive Inspections?
- Waive Appraisal (Note: Works best for cash offers)



National Association of Realtor MLS Policy Changes



- Due to the National Association of Realtor MLS policy changes that went into effect in August 2024, more buyers are entering into written “Buyer/Agent Agreements” which outline the services to be provided by the buyers’ real estate and the negotiated terms of payment for those services.
- Though Buyers may still ask the seller to pay for their broker’s fee as a term of the purchase contract, we are seeing more and more situations where the fee is paid by the buyers , or split arrangements with buyer and seller each paying a portion.





Preparing for a Home Loan application

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Preparing for a Home Loan Application

- Gather Documentation: last 2 years W-2's, last two months deposit statements, identification, last 30 days of pay stubs, and last 2 years tax returns if self-employed or using commission income to qualify
- Review your credit report in advance if possible
- Find a lender and loan officer you trust
- Apply for a pre-qualification online: www.atfcu.org



Potential Benefits of Home Ownership

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Potential Benefits of Home Ownership

Tax Advantages (must consult with a CPA for tax advice)

Leveraging Equity

- Home Improvements (this could be a first or second lien home equity loan)
- College education for your children
- Down payment to purchase an investment property

Build Wealth

- Home Ownership can potentially help build wealth
- Equity is calculated by subtracting what you owe from how much your home is worth

Contact Us



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*The information in this webinar is for educational purposes only, as presented by Member First Mortgage, LLC. This is not a commitment to lend. All lending products are subject to credit and property approval. Refinancing an existing mortgage loan may cause the total finance charges to be higher over the life of the loan. Additional restrictions may apply. Member First Mortgage, LLC is a partner of Austin Telco Federal Credit Union . Mark Crowley, NMLS #458989, is authorized to act as agent of Austin Telco Federal Credit Union (11149 Research Blvd., Suite 300, Austin, TX 78759 | (512) 302.5555 | NMLS ID: 422857) and is authorized to represent Member First Mortgage, LLC, is a licensed Mortgage Lender/Servicer (Corporate Office: 616 44th Street SE, Grand Rapids, MI 49548 | (866) 898.1818 | NMLS ID: 149532). For licensing information, please visit www.nmlsconsumeraccess.org. Equal Housing Opportunity.

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