



Employee Homeownership Program

Home Buying & Selling 101

Formula For a Successful Home Purchase Experience

Our Time Today



- **Who is Advantage Home Plus?**
- **Overview of Your Homeownership Benefit**
- **Is it Wise to Purchase a Home?**
- **Home Buying Myths**
- **Overview of the Mortgage Process**
- **Making an Offer**
- **What Happens at Closing**
- **Questions**



The Advantage Home Plus Program

For more than 20 years, our team members have been partnering with employers to deliver peace of mind and contribute to a healthy financial future for their employees. We specialize in delivering a full service employee home ownership benefit by providing educational programs, assistance in planning, savings on closing costs and connections to industry experts.

SAVING YOU TIME & MONEY

Your home is a major investment. Selecting your service providers is one of the most important decisions you'll make. Thanks to your employer, you can relax! You now have access to a full service home ownership benefit that makes it easier and less expensive.

Employee Benefit Overview

The team members with the Advantage Home Plus Program understand that financial freedom isn't one-size-fits-all. Your employer has chosen this innovative home ownership program because its customized to fit your individual needs.



Savings Example

Example Based on Estimated Average Closing Costs of a \$500,000
Purchase Price with a 3.5% Down Payment

Without Savings:

Credit Report:	35.00
Appraisal:	750.00
Title Report:	900.00
Escrow Fee:	1000.00
Tax Registration:	160.00
Recording Fee:	260.00
Notary Fee:	200.00
Document Prep Fees:	1100.00
Real Estate Contribution:	00.00

With Savings:

Credit Report	35.00
Appraisal:	750.00
Title Report:	900.00
Escrow Fee:	1000.00
Tax Registration:	160.00
Recording Fee:	260.00
Notary Fee:	200.00
Document Prep Fee:	1100.00
Real Estate Cont.*	2250.00
Lender Credit:	1000.00
Total:	\$3250.00

SAVE up to 60% OFF Your CLOSING COSTS!

Is Home Ownership a Smart Decision?

According to a report by Trulia, “buying is cheaper than renting in 100 of the largest metro areas by an average of 37.6%”. That may have some thinking about buying a home instead of signing another lease, but does it make sense from a financial perspective?

In the report, Ralph McLaughlin, Trulia’s Chief Economist explains:

“Owning a home is one of the most common ways households build long-term wealth, as it acts like a forced savings account. Instead of paying your landlord, you can pay yourself in the long run through paying down a mortgage on a house.”

The report listed 5 reasons why owning a home makes financial sense:

- Mortgage payments can be fixed while rents go up.
- Equity in your home can be a financial resource later.
- You can build wealth without paying capital gains.
- A mortgage can act as a forced savings account.
- Tax exemptions = tax savings.

Bottom Line:

Before you sign another lease, let Advantage Home Plus help you understand your options.



The 3 Main Reasons Financial Experts Advise, Sooner is Better than Later

1. Prices Continue to Rise:

- CoreLogic's latest Home Price Index reports that the bottom in home prices has come and gone. Home values will continue to appreciate for years to come.

2. Mortgage Interest Rates Are Projected to Increase:

- Freddie Mac's Primary Mortgage Market Survey shows that interest rates for a 30 year loan have increased as compared to last year. The Mortgage Bankers Association, Fannie Mae, Freddie Mac & the National Association of Realtors are in unison, projecting that rates will further rise over the next year. An increase in rates will cause an increase in your mortgage payment, causing you to qualify for a lower house price.

3. Either Way, You Are Paying a Mortgage:

- Everyone should realize that, unless you are living with your parents for free, you are paying a mortgage – either yours or your landlord's.



2 MYTHS THAT HOLD PEOPLE BACK

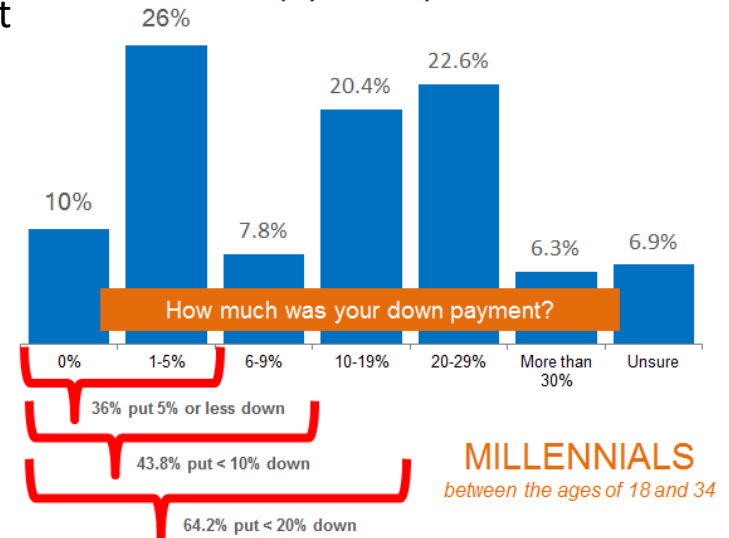
Fannie Mae's article, "What Consumers Don't Know About Mortgage Qualification Criteria," revealed that "only 5 to 16 percent of respondents know the correct ranges for key mortgage qualification criteria."

Myth #1: "I Need a 20% Down Payment"

Fannie Mae's survey revealed that consumers overestimate the down payment funds needed to qualify for a home loan. According to the report, 76% of Americans either don't know (40%) or are misinformed (36%) about the minimum down payment required.

Many believe that they need at least 20% down to buy their dream home, but many programs actually let buyers put down as little as 3%. In addition, your employee homeownership program has access to down payment assistance programs and down payment grant programs available to those who qualify, enabling the buyer to put ZERO down on their first home.

Here's the results of the Digital Risk survey of Millennials who recently purchased a home. 64.2% were able to purchase their home by putting down less than 20%, with 43.8% putting down less than 10% and 10% of the population putting zero down.



MYTH #2: “I need a 780 Credit Score”

The survey revealed that 59% of American either don't know or are misinformed about what credit score is needed to qualify.

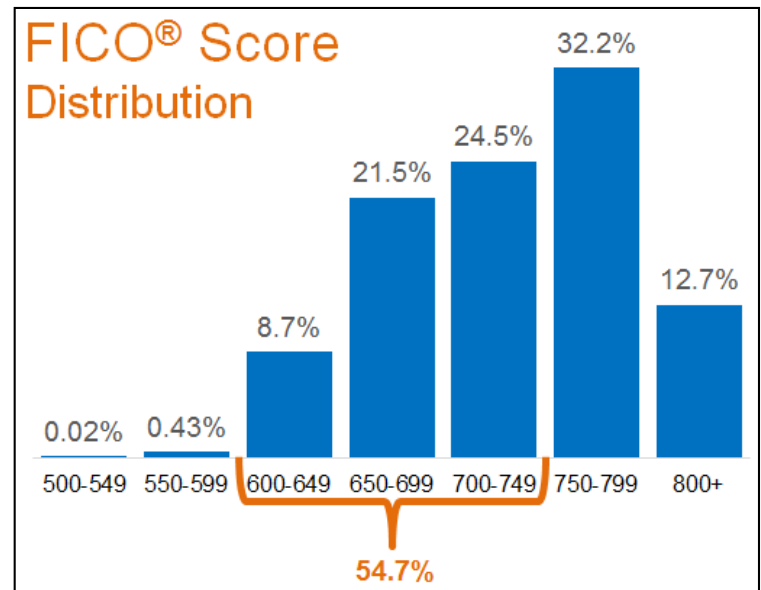
Many Americans believe a “good” credit score is 780 or higher.

To help debunk this myth, let's look at Ellie Mae's latest Origination Insight Report, which focuses on recently closed (approved) loans.

As you can see, 54.7% of approved mortgages has a credit score of 600 – 749. Some, as low as 600.

Bottom Line:

Whether buying your first home or moving up to your dream home, knowing your options will make the mortgage process easier.



WHY PRE-APPROVAL SHOULD BE YOUR FIRST STEP

In many markets across the country, the amount of buyers searching for their dream home greatly outnumbers the amount of homes for sale. This has led to a competitive marketplace where buyers often need to stand out. One way to show you are serious and have the ability to close is to get pre-approved for a mortgage before your search. In addition to helping to make you a more attractive to the seller of the home, a pre-approval will give you the financial information you need to make sure homeownership will fit within your budget.

Freddie Mac lays out the advantages of pre-approval in the 'My Home' section of their website. "Its highly recommended that you get pre-approved before you begin house hunting. Pre-approval will tell you how much home you can afford and give you greater confidence in competitive markets."

Freddie Mac describes the 4 Cs that help determine the amount you will be qualified for:

- **Capacity:** Your current and future ability to make your payments
- **Capital:** The money, savings and investments you have available for reserves
- **Collateral:** The condition and value of the home you'd like to purchase
- **Credit:** Your history of paying bills and other debts on time

Bottom Line:

Many potential home buyers overestimate the down payment and credit scores needed to qualify. If you're thinking about buying a home, you may be surprised at the many options available to you through your employee homeownership program.

What You Need to Know About The MORTGAGE PROCESS

What You'll Need to Qualify in Today's Market:

- ✓ Down Payment: Generally between 0% - 20% of the purchase price.
- ✓ Income Verification & Stability, Credit History & Asset Documentation



You'll interact with various professionals during the home buying process, all of who are valuable resources & perform necessary roles.

- Loan Officer
- Appraiser
- Home Inspector
- Title Company

- Escrow/Closing Company
- Mortgage Loan Processor
- Underwriter
- Real Estate Agent



How To Start:

Reach out to your employee homeownership program at Advantage Home Plus. Your Care Advisor will help guide you through the process from start to finish.



READY TO MAKE AN OFFER?

4 Tips That Will Help You Get the House You Want

So you've finally found the perfect house to call home!
BUT... The market is competitive. How do you make sure your offer is attractive to the seller so that you can make this home *YOURS*?

Freddie Mac covered "4 Tips for Making an Offer" in their latest Executive Perspective. Here are the 4 tips they covered along with some additional information for your consideration:

1. Understand How Much You Can Afford: *"While it's not nearly as fun as house hunting, fully understanding your finances is critical in making an offer."*

Getting pre-approved is one of many steps that will show home sellers that you are serious about buying, and will allow you to make your offer with the confidence of knowing that you have already been approved for a mortgage for that amount.

2. Act Fast: *"Even though there are fewer investors, the inventory of homes for sale is low and competition for housing continues to heat up in many parts of the country."*

Buyer demand continues at a high pace, causing buyers to compete with each other. Make sure that as soon as you decide that you want to make an offer, you work with your agent to present it as soon as possible.

READY TO MAKE AN OFFER?

4 Tips For Success

3. **Make a Solid Offer:** *Freddie Mac* offers this advice to help make your offer the strongest it can be:

"Your strongest offer will be comparable with other sales and listings in the neighborhood. A licensed real estate agent active in the neighborhoods you are considering will be instrumental in helping you put in a solid offer based on their experience and other key considerations such as recent sales of similar homes, the condition of the house and what you can afford."

Talk with your agent to find out if there are any ways that you can make your offer stand out in this competitive market!

4. **Be Prepared to Negotiate:** *"It's likely that you'll get at least one counteroffer from the sellers so be prepared. The two things most likely to be negotiated are the selling price and closing date. Given that, you'll be glad you did your homework first to understand how much you can afford. Your agent will also be key in the negotiation process, giving you guidance on the counteroffer and making sure that the agreed-to contract terms are met."*

If your offer is approved, *Freddie Mac* urges you to *"always get an independent home inspection, so you know the true condition of the home."* If the inspection uncovers undisclosed problems or issues, you can discuss any repairs that may need to be made, with the seller, or cancel the contract.

Bottom Line:

Whether buying your first home or your fifth, having an experienced and local real estate professional with the Advantage Home Plus program on your side is your best bet to make sure the process goes smoothly.





Questions? We Make Getting Answers Simple

- No Obligation Fitness Consult
- Call your personal Client Care Advisor at (800)376-4603
- Use our Online scheduler at [AdvantageHomePlus.com](https://www.advantagehomeplus.com)