

September 4th

FIRST WEDNESDAY

**Advancing
Fundamental
Financial Knowledge**

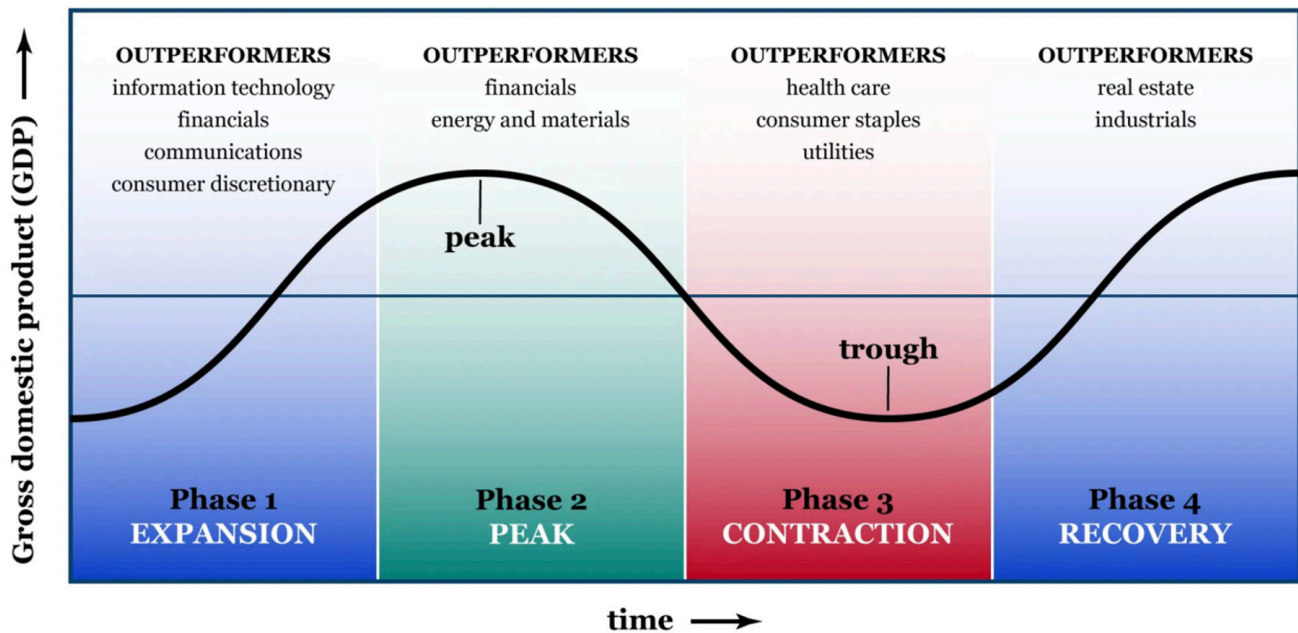


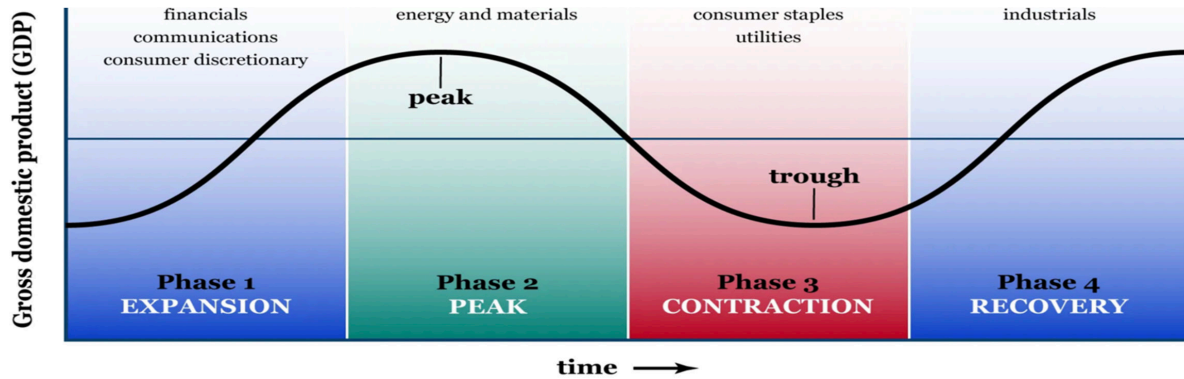
Welcome to an essential session for REALTORS® focused on today's financial landscape. In this session, we'll dive into the latest on economic trends, explore affordable housing challenges, and discuss unique financing options, all through the lens of national, local, and personal financial perspectives. Get ready to gain valuable insights and strategies to help you guide your clients effectively in this dynamic market!

Belle Leal Moderator & Affordable Housing in Today's Market
Dan Gutierrez Financial Literacy, 203K Loan & Home Fund It Program
Jen Hernandez ITIN Loan
Ashley Hurtado Section 184 & USDA Loans
Mike Torres Manufactured Home Purchase Process/Chattel

FINANCIAL LITERACY MACRO-ECONOMICS FOR REAL ESTATE

Four phases of an economic cycle





EXPANSION	PEAK	CONTRACTION	RECOVERY
<ul style="list-style-type: none"> • GDP Rising • Demand for consumer goods is growing • Business ramping up production to meet consumer demand • Business's hire more workers • GDP rises as the economy gets its "Boom" cycle underway • US Real GDP is at a current level of 22.67T, up from 22.49T last quarter and up from 21.99T one year ago. This is a change of 0.81% from last quarter and 3.11% from one year ago 	<ul style="list-style-type: none"> • Economy reaches a maximum rate of growth • Consumer demand rises • Businesses unable to ramp up production to match increasing demand • Businesses experience a rise in production costs (including wages) • Transfer costs over to the consumer • "Topping-Off" in profits despite charging higher prices • Decreasing profits due to higher manufacturing input costs or higher wage demands • Inflationary pressures start to build up • Economy begins to overheat • Federal Reserve will hike rates to combat rising prices - making it more expensive to borrow money - in an attempt to cool the economy 	<ul style="list-style-type: none"> • Corporate profits fall • Consumer spending falls • GDP contracts due to the decrease in spending • Production slows to match falling demand • Employment and income decline • Overall, economic activity slows, stocks enter a bear market, and a recession typically follows • Fed tends to lower interest rates so that consumers and businesses can borrow money on the cheap • Energy, materials, health care and consumer staples 	<ul style="list-style-type: none"> • Economy hits its trough, bottoms out, and begins the cycle anew • Policies enacted during the contraction phase begin to bear fruit • Business that retrenched during the contraction begin to ramp up again • Stock values tend to rise as investors see greater potential returns in stocks than bonds • Production ramps up to meet rising consumer demand and with it, • Business expansion, employment, income, and GDP

AFFORDABLE HOUSING IN TODAY'S MARKET

EXTRACT A STATISTICAL REPORT FROM THE MLS

Menu > Statistics > Market Trend Graphs > Enter Desired Dates

By staying updated, REALTORS® can educate clients, enhance their credibility, and gain a competitive edge. This knowledge also strengthens their negotiation power and helps in crafting effective marketing strategies, ultimately leading to better outcomes for their clients.

FINANCIAL CALCULATORS

BUDGET BREAKDOWN

State Farm Q&A, definitions, organization and strategies



BUDGETING 101

State Farm form that breaks down a budget and reviews spending habits



CALCULATE NET WORTH

FDIC has an online interactive and printable form to calculate "My Net Worth"



UNIQUE FINANCING OPTIONS

SECTION 184 - INDIAN HOME LOAN GUARANTEE PROGRAM

- Min. of 1.25% on loan amounts of \$50K or less
- Min. of 2.25% down on loans greater than \$50K
- Minimum FICO credit of 580
- Can be used for Purchases, rehabilitation/renovation, new construction and no cash out refinances!

Low Mortgage Annual Insurance of 0.15%

1% up-front guarantee fee paid at closing OR Financed into the loan

USDA LOANS - SECTION 502 DIRECT LOAN PROGRAM

- 100% financing
- LTVs up to 102.75
- Can be paired with other down payment assistance programs
- Minimum FICO credit of 580
- Can be used for Purchases and rate and term refis

Low Mortgage Annual Insurance of 0.35%

1% up-front guarantee fee paid at closing OR Financed into the loan

ITIN LOAN - INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER

Used by non-citizens required to file U.S. tax returns.

Eligibility Criteria:

- Valid ITIN
- Stable employment and income
- LTV varies between 85-70%
- Minimum credit 600, No Score treated as 620

Credit Flexibility: Lenders may consider alternative credit histories, no score okay

MANUFACTURED HOME PURCHASE / CHATTEL

- Down payment as low as 5%
- Borrowed down payments are allowed
- Loan terms up to 25 years
- Credit scores as low as 640
- \$20,000 minimum loan amount

HOME FUND IT PROGRAM - "CROWDFUNDING"

- Exclusively used for the down payment on a home
- The idea is to make it easier for relatives and friends – or anyone in your personal network - to be able to help you with your down payment
- Donors can lend online
- Donations not taxed
- HomeFundIt can be used with any loan program funded by CMG Financial or its joint venture partners

203K LOAN - RENOVATION FINANCING

- Simple 30-year fixed rate
- Regular FHA and Conventional loans with a construction rider
- No special income, asset, or credit overlays are needed
- Contractors must be properly licensed and insured
- Contractors cannot be a relative, employer or anyone else with potential financial interest in the property

LOOKING FOR MORE FIRST-TIME BORROWING RESOURCES?

The Affiliate Committee hosted a First Wednesday in July with eight financing programs and a Lending Q&A. You can access the recording and presentation slides at this QR code



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& DIVERSITY.**

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