

# WELCOME!



2021 homeowners  
EXPO



PHONG LA  
ALAMEDA COUNTY ASSESSOR

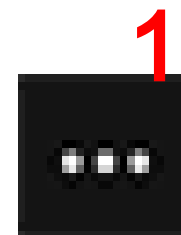
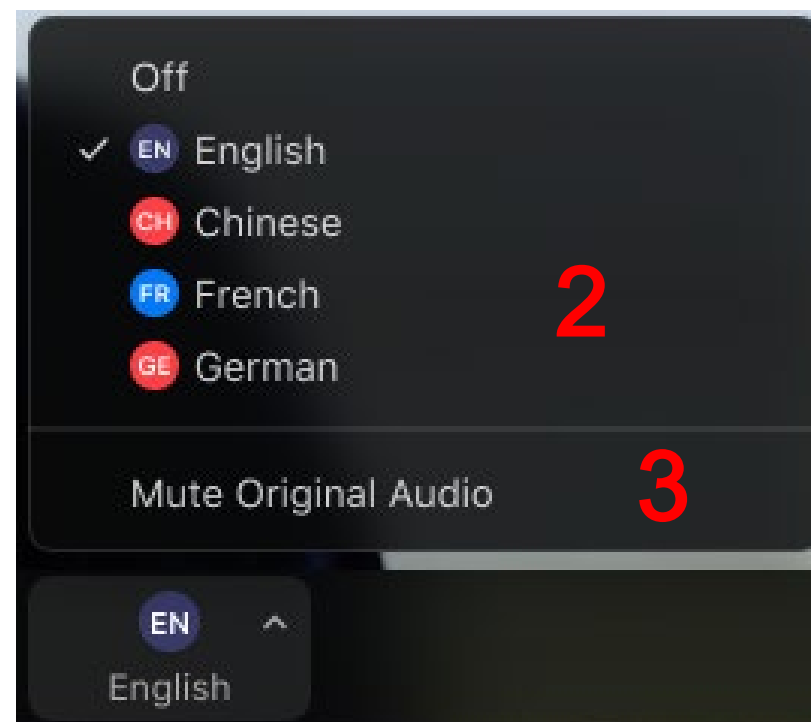
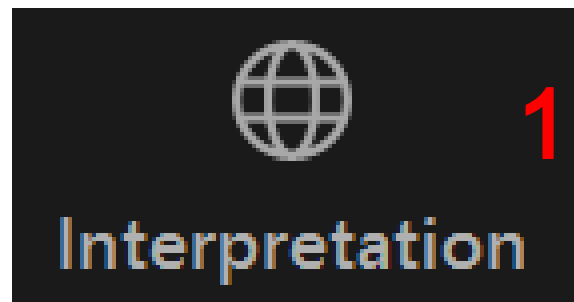
# SELECT LANGUAGE CHANNEL



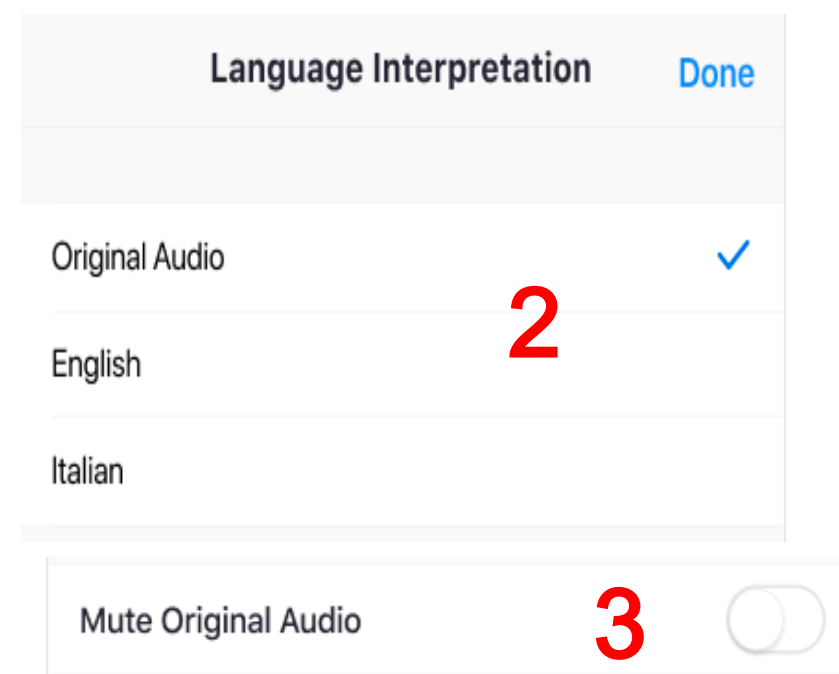
## ENGLISH

1. In your meeting/webinar controls, click **Interpretation**.
2. **Select the language** that you would like to hear: **English**.

Windows | macOS



Android | iOS



## SPANISH

1. En los controles de la reunión o el seminario web, haga clic en **Interpretación**.
2. Haga clic en el **idioma** que desee escuchar: **español** (Spanish).
3. (Opcional) Para escuchar solo el idioma interpretado, haga clic en **Silenciar audio original**.

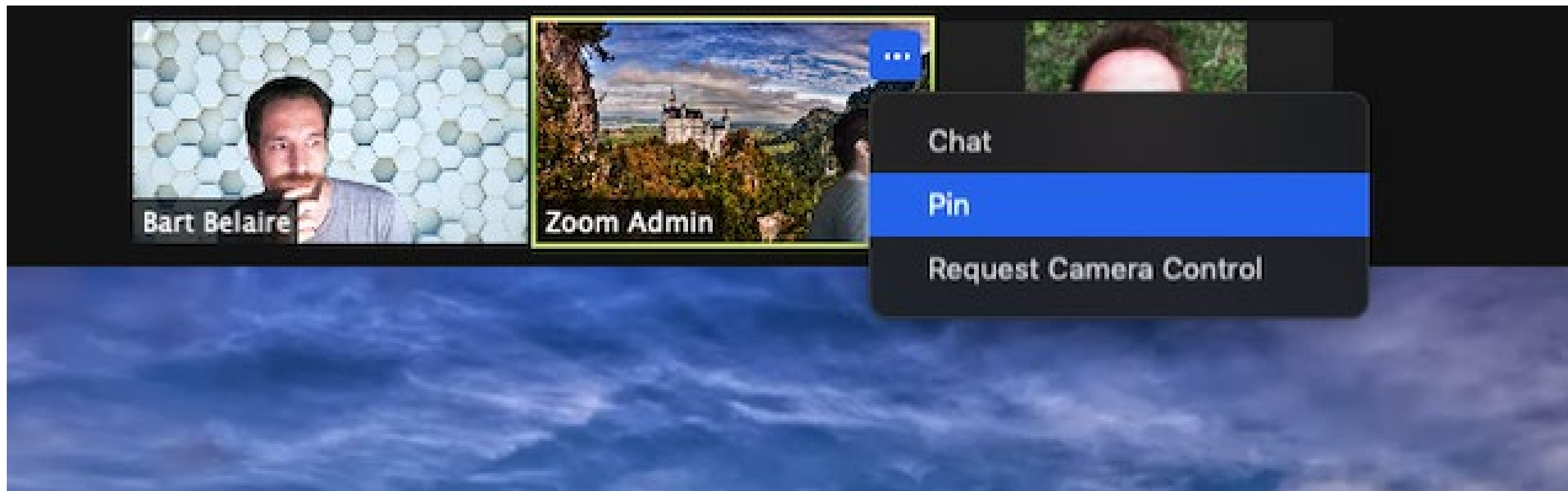
## CHINESE

1. 在會議/網路研討會控制項中，按一下**口譯**。
2. 按一下您想要聽的語言：**中文** (Chinese)。
3. (非必要步驟) 若只想聽口譯內容，請按一下關閉原始音頻。



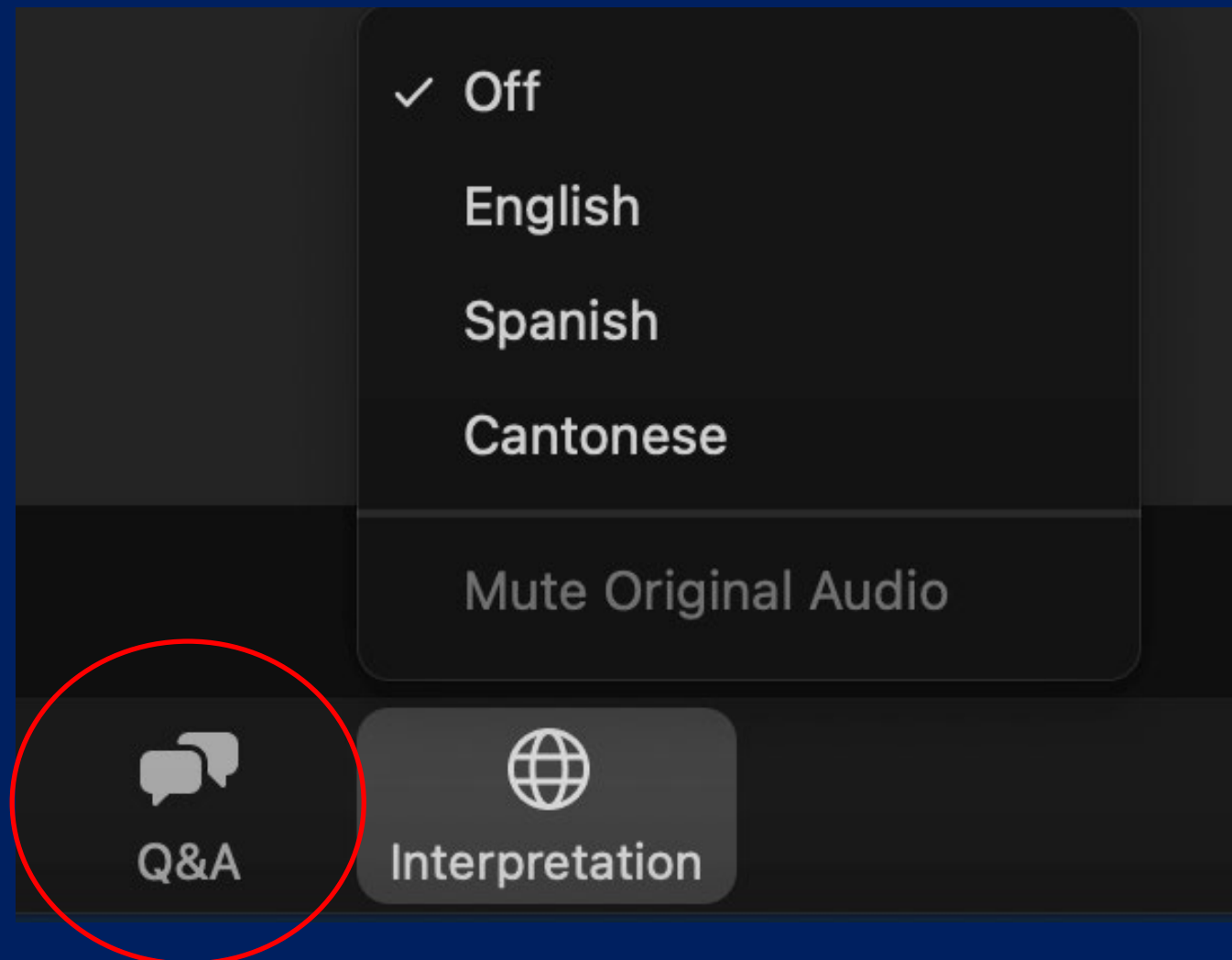
# HOW TO PIN A VIDEO (ASL)

1. **At the top of your meeting window, hover over the video of the participant you want to pin...**
2. **From the menu, click “Pin”**
3. **The person’s window to be on the screen through the whole event.**



# Have Questions During the Event?

- Use the Q&A function to type in your question.
  - We will address as many as possible after each presentation.





# Raffle Prizes

\$150 Brown Sugar Kitchen Gift Card

\$25 Target Gift Cards

\$25 Walmart Gift Cards

\$25 Nob Hill Gift Card

A's Tickets!

...and more!



ASSEMBLY MEMBER  
**Dr. Bill Quirk, PhD**  
DISTRICT 20



**Bill Quirk**

California Assemblymember , 20<sup>th</sup> District



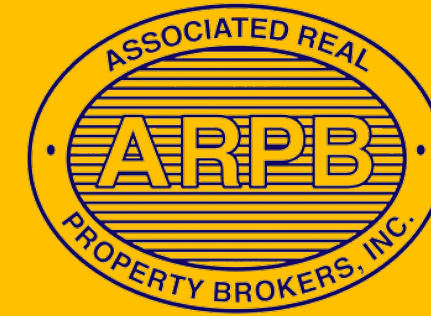


**Melissa Wilk**

**Alameda County Auditor -Controller/Clerk Recorder**



# Thank you to all our sponsors and partners!





# Homebuyer Education

Essential Information For  
Every Borrower

Presented by:  
ECHO Housing





*About Us...*

# ECHO Housing

*Jonathan Torres*

Housing Programs Coordinator  
[jonathan@echofairhousing.org](mailto:jonathan@echofairhousing.org)

**22551 Second Street**  
**Suite 200**  
**Hayward, CA 94541**  
**Tel: 510-581-9380**



The Eden Council for Hope and Opportunity (ECHO Housing) was founded in 1964 and incorporated in 1965 by community volunteers dedicated to equal housing opportunities and the prevention and elimination of homelessness.

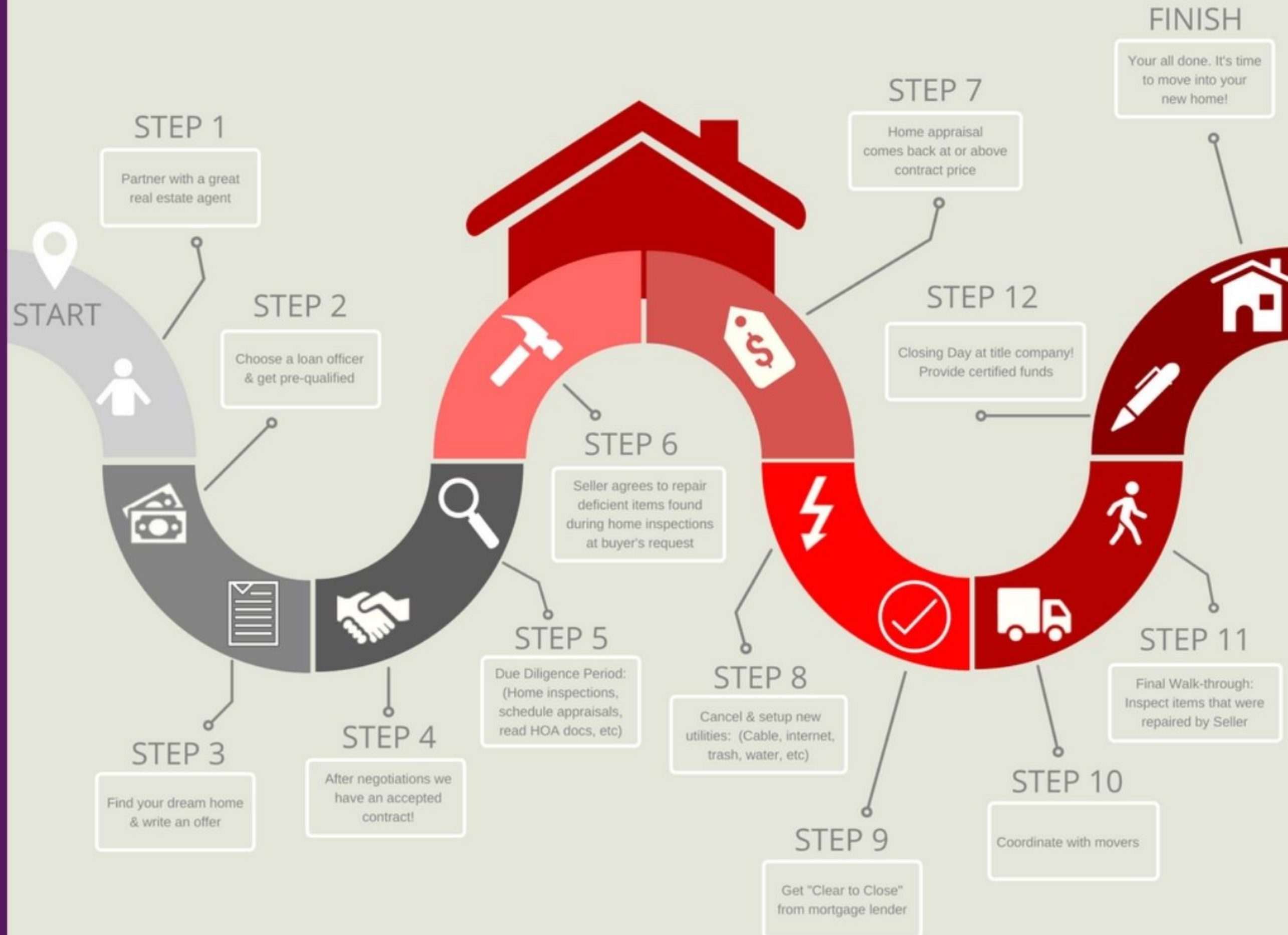
ECHO is a HUD-approved Housing Counseling Agency and a Qualified Fair Housing Enforcement Organization providing services to very low and moderate income residents in the Counties of Alameda, Contra Costa, and Monterey.

Homebuyer Education Program:

- Homebuyer Education workshops
- Pre-purchase counseling



# HOME BUYING TIMELINE



# HOMEBUYING TEAM



HOUSING  
COUNSELOR



REAL ESTATE  
AGENT



LENDER/  
LOAN OFFICER



ESCROW  
OFFICER



TITLE  
INSURANCE  
OFFICER



APPRAISER



HOME  
INSPECTOR



INSURANCE  
AGENT



# Benefits of Buying

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1. Obtain greater control over decisions related to living environment.
2. Settle into a community and school system.
3. Avoid home inspections by landlords or other authorities.
4. Modify home to suit personal preferences.
5. Qualify for tax benefits.
6. Build equity by making monthly payments.

## Responsibilities

- Make monthly mortgage payments to avoid the risk of default and foreclosure.
- Uphold standards and rules set forth by communities or HoAs.
- Carry out and/or fund home repair projects, maintenance tasks, and yard work.

## Drawbacks

- Bear the risk of property value degradation due to market crashes and other causes.
- Limit flexibility of relocation, as selling a home is more complicated than terminating a lease.
- Accept the liability of accidents on your property.



# Upfront Costs

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**Down Payment**



**Closing Costs**



**Lender Fees**



**Title Insurance**



**Discount Points**



**Home  
Inspection**



**Escrow Deposit**



**Property Taxes**



**Private  
Mortgage  
Insurance**



**Other  
Miscellaneous**

# TERMS

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- Down payment - how much you "put down" and varies depending on mortgage loan type.
- Discount points - loan origination fee paid at closing where 1 point = 1% of the purchase price.
- Closing costs - Fees for final property transfer that are not included in the price of the property ranging 3%-5% of purchase price.
- Title insurance - Ensures that the title to a piece of real estate is legitimate. Protects the lender/owner against lawsuits or claims against the property that result from disputes over the title.



# TERMS

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- Escrow Account - An account in which funds are held to be used for specific purposes by parties carrying out a mutual transaction. Commonly used by lenders to set aside a portion of monthly mortgage payments needed to cover property taxes, homeowners insurance, or earnest deposit money.

# HOW MUCH CAN I AFFORD?



**30%**

Housing Ratio  
(Front-end  
ratio)



**40%  
COMBINED**

**DEBT-TO-INCOME  
RATIO**



Reoccurring debt



**10%**

# UNDERSTANDING CREDIT





# Fair and Accurate Credit Transaction Act (FACT Act)

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- FACT Act was designed to improve the accuracy of consumers' credit-related records.
- Consumers have right to one free credit report a year from the credit reporting agencies.
- Also adds provisions designed to prevent and mitigate identity theft, including a section that enables consumers to place fraud alerts in their credit files.





# Annual Credit Report.com

**EQUIFAX®**

 **Experian®**

**TransUnion®** 

# FICO Scores

- It is 3-digit numerical value that generally ranges from 300-850.  
Higher the score, the better the terms of your loan.
- A FICO score is a type of credit score created by the Fair Isaac Cooperation.
- A lender uses your FICO scores to help them decide:
  - whether to approve you ("credit worthiness");
  - what terms and interest rates you qualify for.
- Other scores do exist - BUT  
The FICO score has been the standard for over 25 years and used in over 90% of lending decision.



<div></div>	Poor	< 580
<div></div>	Fair	580 - 669
<div></div>	Good	670 - 739
<div></div>	Very Good	740 - 799
<div></div>	Exceptional	800+



# 30-year fixed-rate mortgage

## \$280,000 loan principal

620 FICO® Score



**5.08% APR**

**\$1,517** monthly payment

**\$266,055** total interest paid

760 FICO® Score



**3.49% APR**

**\$1,256** monthly payment

**\$172,131** total interest paid



# FACTORS IN A SCORE



# What is not included in your FICO Score?

- Race, color, religion, national origin, sex, marital status, or age.
- Your salary, occupation, title, employer, date employed or employment history.
- Where you live.
- Any interest rate being charged on a particular credit card or other account.
- Any items reported as child or family support obligations.
- Certain types of inquiries
  - "consumer-initiated" inquiries - requests you have made for your credit report, in order to check it.
  - "promotional inquiries" - requests made by lenders in order to make you a "pre-approved" credit offer.
  - "administrative inquiries" - requests made by lenders to review your account with them.
  - Requests that are marked as coming from employers are not counted.



# Charge-Off Status

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This is when a creditor wrote your account off of their receivables as a loss. This means that the creditor most likely knows it will not be able to collect, but it does not mean that the debt is not owed.

A charge-off is a **NEGATIVE** mark on your credit report.

This charge-off status can be reported along with the balanced owed. The charged off account will remain on the credit report for seven (7) years from the original delinquency date of the account, which is the date of the first missed payment that led to the charged-off status.



# When should I request my credit report?



# PRIMARY TYPES OF MORTGAGES

## Government Insured

- FHA loans (Federal Housing Administration)
- VA loans
- USDA
- CALHFA (California Housing Finance Agency)

## Conventional

- A conventional loan is a mortgage that is not backed by any Government agency.
- The lender issuing the loan is assuming the risk.



## FHA

Government  
loan

3.5% min. down  
payment

580 min. credit  
score for max  
financing

Mortgage  
insurance often  
for life

## Conventional

Fannie/Freddie

3% min. down  
payment

620 min. credit  
score

PMI can be  
dropped at 80%  
LTV






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# Pre-Approval Letter

When you are ready to start looking for a home, the first step to purchasing a home is to get preapproved with a lender. Being preapproved tells you how much you can afford and lets sellers know you are a serious buyer.





# INCOME CALCULATIONS

1

Income from full-time employment must be in the same line of work for at least 2 years.

3

Bonus income, overtime, commission and other sources of variable income can be counted after 2 years, cannot be declining and is averaged.

2

Income from part-time employment must have a history of working part-time continuously for at least 2 years.

4

Unemployment benefits are not counted as part of the income calculation.

# ELIGIBLE SOURCES OF DOWN PAYMENT INCLUDE:

1

Personal Savings – sourced  
and seasoned over a 2-3  
month period.

3

Retirement Savings Plan

2

Gift Funds – need to  
document with gift letter.

4

Sale of an Asset – must  
document sales transaction.

Income Tax Refund

**Cash is NOT an asset – cash on hand or “mattress money” generally cannot be used.**



# Example: AC BOOST

## DOWN PAYMENT ASSISTANCE LOAN PROGRAM - ALAMEDA COUNTY

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1. Must be a First Time Homebuyer (no ownership in the past 3 years)
2. Household income must not exceed 120% of the AMI
3. Must have funds of no less than 3% and no more than 50% of purchase price for down payment
4. Buyers earning less than 100% AMI have a loan limit of \$150,000
5. Buyers earning between 100% and 120% AMI have a loan limit of \$100,000

# Applying for a loan - Required Documents



**Paychecks**



**W-2 Forms/  
1099's**



**Credit  
Report**



**Bank  
Statements**



**Tax Returns**



**Assets/Supp  
Income**



## UNDERWRITING

This is when the lender passes your application file along to an underwriter. It's this person's job to determine if you, as a borrower, represent an acceptable level of **RISK** for the lender.

They primarily do this by looking at:

- Credit History
- Income
- Debts (Debt to Income Ratio)
- Down Payment
- Appraisal (to check LTV)

# Types of Homes



Single  
Family  
Homes



Town-House



Condo



Mobile/  
Manufactured



New  
Construction



Below  
Market  
Rate



# Purchase Agreement

- Declares purchase price
- States type of Financing/Loan (terms and amounts)
- Contingencies (types & timelines)
- Buyer & Seller cost allocation
- Specifies what is including/excluded
- States any special conditions



# CONTINGENCIES

## *Loan Contingency*

This contingency makes clear that if you do not get the loan you need at the terms you have specified, the deal is off and your deposit will be refunded.

## *Appraisal Contingency*

If the appraised value is lower than the agreed-upon purchase price, this contingency gives you the right to **WITHDRAW** your offer.



# *Escrow Process*

Escrow is a neutral third party who works for the buyer and seller. The escrow period begins when an **OFFER** is accepted and closes when the loan closes. They generally:

- Keep the original purchase contract and other documents
- Hold earnest money funds
- Coordinate appointments to ensure closing occurs as soon as possible

# WAYS TO HOLD TITLE

## Tenants in Common

- Default method of co-ownership.
- Each co-owner can own a varying proportion of the property (i.e. 60%-40%).
- Transfer Upon Death: interests may be transferred to ANY beneficiary.

## Joint Tenancy

- Each co-owner must own and equal interest (i.e. 50%-50%).
- Transfer Upon Death: interests is transferred automatically to surviving co-owner(s).

In California, property can be held in more than one form. That means that some co-owners may own property as joint tenancy, while the other co-owners own the property as tenants in common.



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# Questions & Comments



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# Raffle

Presented by Marie Sturgell  
Immediate Past President and  
Imani Breaux Smith  
President

- (1) \$25 Target Gift Card
- (1) \$25 Walmart Gift Card



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 POPPY BANK

# Raffle

Presented by Kari Thompson  
Vice President/Branch  
Manager

(1) \$25 Nob Hill gift card and  
Poppy Bank bundle

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**BANK OF THE WEST**  
**BNP PARIBAS**

# Raffle

Presented by Emma Bigge  
VP Community Lending and Diverse Markets  
Business Development Officer  
Consumer Real Estate Services

(2) \$25 gift card and gym bag sets



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# Raffle

Presented by Kiran Shenoy  
Government Affairs Director

(1) \$150 gift card to  
Brown Sugar Kitchen



**NOW YOU'RE A HOMEOWNER**  
YOUR LOAN OFFICER IS PART OF YOUR TEAM!

**Guild**  
mortgage



# Agenda

**GETTING DIRECTIONS – WHERE TO GO FOR HELP**

**REFINANCE OPPORTUNITIES – RATE & TERM VS CASH OUT**

**WHAT IF THE HOUSE NEEDS REPAIR / UPDATING**

**SAVING FOR A SECOND HOME OR RENTAL**

**LUMP SUM PAYMENTS AND RECASTING**

**QUESTIONS**

# Getting directions – where to go for help If something happens.

- Servicing help and issues – Making Payments, What if your payment changes? Changing your Insurance Company.
- Property Taxes -- paid or not paid
- Mortgage Furlough – Covid19
- What happens if you are laid off / unemployed
- Adding / subtracting someone on your Deed
- Estate planning





# Refinance Opportunities



## Rate and term refinance

- Lower your rate
- Fixing your rate from an adjustable rate
- Shorten your term
- Pay off purchase money seconds (down payment assistance)



## Estate planning and changes in the family structure

- From Married to Unmarried
- From Unmarried to Married
- Adding now adult Children to the title for estate planning
- Putting the title in the name of a trust



## Sell and purchase your next home

- Use your equity to purchase your next home.
- Getting pre-approved for your next home.



## Cash out refinancing

- Tap into your equity of your home
- Pay off bills
- Make repairs / updating – Adding solar
- Buy more real estate
- Pay for college expenses



## Renovation Loans

- Update the home and finance the repairs into one loan.
- Conventional or FHA
- Add rooms, expand rooms, repair items that are bigger than your savings account.
- Add an Accessory Dwelling Unit (ADU)



## Purchasing other real estate

- Buy a second home – 10% down
- Buy an investment home – 20% down

# Buying a Rental or Second Home

## Rental Property

- Be Prepared – Funds to close are more than your purchase.
- Minimum down payment is 15%
- Larger reserves required 6 to 12 months
- Cash flow – is it positive or negative
- Back up funds for when the home is vacant
- Get a good accountant

## Second Home

- What can you afford in a payment
- Typical down payment is 10%
- Reserves required – 6 to 12 months
- Seasonal rental and hiring a property management company





# Lump Sum Payments and Recasting

## What is Recasting?

- A one-time large payment towards the principal balance of a mortgage and the lender re-amortizes / recasts the loan.
- Recasting the the original note rate over the remaining term of the loan.
- May lower your monthly payment
- Will lower the overall interest you pay over the remaining term of the loan

## Terms of the Recast – Guild Mortgage

- Loan must be current
- Owner Occupancy is NOT required
- Minimum recast amount is \$10,000
- One recast permitted every 12 months
- Please allow 45-60 days for the new payment to take effect

**KNOW THE FACTS**

# Contacts



## **Susannah Harte**

Sr. Loan Officer | NMLS #473612

5829 Lone Tree Way, #D | Antioch, CA 94531

M: 510.409.1061

[susannahh@guildmortgage.net](mailto:susannahh@guildmortgage.net)

## **Apply online**

[guildmortgage.com/susannaharte](https://guildmortgage.com/susannaharte)



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# Raffle

Presented by Marie Sturgell  
Immediate Past President  
and Imani Breaux Smith  
President

- (1) \$25 Target Gift Card
- (1) \$25 Walmart Gift Card

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# Raffle

Presented by Jessica Chen

陳巧倫

Executive Director

(1) Oakland Chinatown  
Chamber of Commerce bundle



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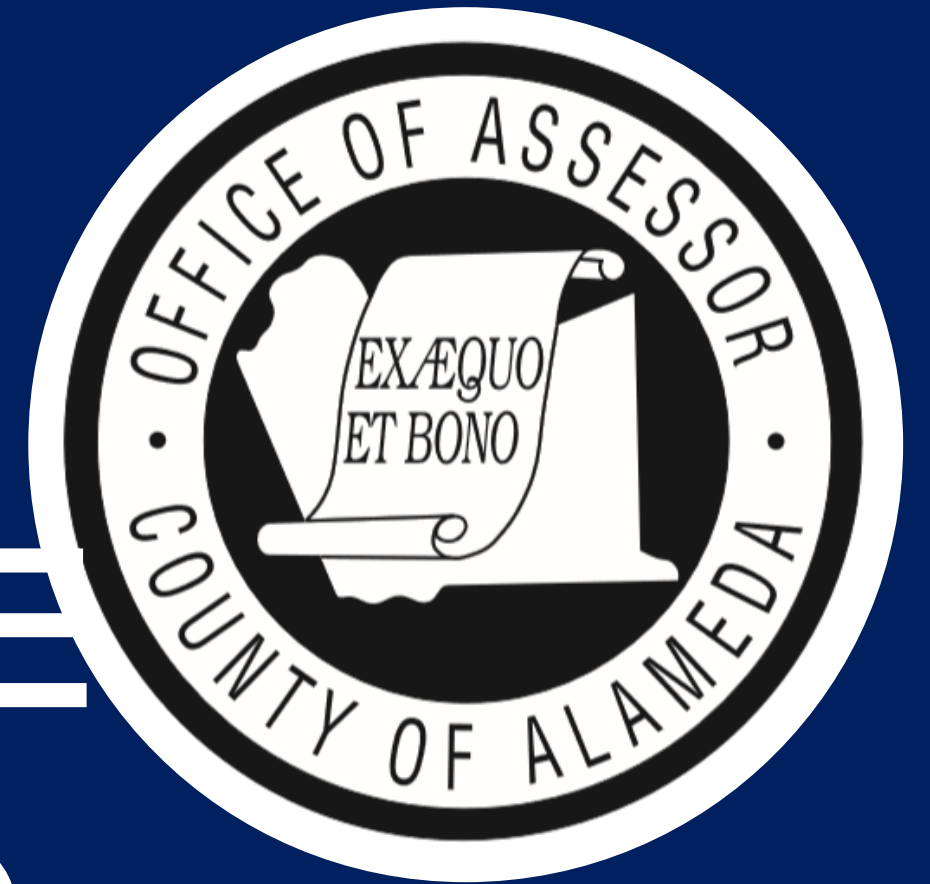
**BANK OF THE WEST**  
**BNP PARIBAS**

# Raffle

Presented by Emma Bigge  
VP Community Lending and Diverse Markets  
Business Development Officer  
Consumer Real Estate Services

(3) \$25 gift card and gym bag sets

MIKA HANKINS, CHIEF APPRAISER  
OFFICE OF ASSESSOR



# A PRESENTATION FOR THE 2021 HOMEOWNERS EXPO

APRIL 2021



# Disclaimer

This information has been prepared by the Alameda County Office of the Assessor for information purposes only and does not constitute legal advice.

It is not legal advice or a substitute for obtaining legal advice from an attorney. It is not tax advice or a substitute for obtaining tax advice from a CPA or accountant.

Any person who reviews the information should not rely upon it or act on it in any manner without first engaging professional counsel.

The information is intended to communicate general information.

# Disabled Veteran's Exemption

If you are a California veteran who is rated 100% disabled, blind, or paraplegic due to service-connected disability while in the armed forces (or if you are the unmarried widow of such a veteran), you may be eligible for a Disabled Veterans' Exemption. The Veterans Administration must certify 100% disability.



# Assessment Appeals

If you happen to disagree with your assessment, we encourage you to contact us for information about filing an informal review.

Please note that you are responsible for gathering factual information important to determining the property's market value including comparable sales of the current year.

If an unresolved difference between the Assessor and the taxpayer still remains over the assessment of property, you may file a formal **appeal application** for reduction in the assessed value with the Assessment Appeals section of the **Clerk of the Board of Supervisors**, a separate agency from the Assessor's Office, between July 2<sup>nd</sup> and September 15<sup>th</sup>.

For more information please visit:

<https://www.acgov.org/clerk/assessment.htm/>

# Base Year Transfer

- Persons aged 55 and older, or severely disabled persons of any age may transfer their principal residence to a residence acquired or built as its replacement (ref. Proposition 60 & Proposition 90, Revenue and Taxation Code section 69.5).
- Base year transfer is now eligible to all counties in California, can be taken up to 3 times, and the replacement property can have a sale price higher than the original, with the difference being added to the transferred factored base year



# Parent-to-Child / Grandparent-to-Grandchild Transfers

- Transfers between parents/grandparents and their children/grandchildren (in either direction) of a principal residence and up to \$1 million (assessed value) of other property may be excluded from a change-in-ownership reassessment.
- This transfer only applies to principal residences and a homeowners' exemptions must be filed within 1-year



**PHONG LA**  
**ALAMEDA COUNTY ASSESSOR**

**1221 OAK STREET, ROOM 145**  
**OAKLAND, CA 94612**

**Email:**

**[AssessorWebResponse@acgov.org](mailto:AssessorWebResponse@acgov.org)**

**Website:**

**<https://www.acassessor.org/>**

**Phone: (510) 272-3787**





**Wilma Chan**

**Alameda County Supervisor, District 3**

Donated by



# Raffle

Presented by Supervisor Wilma Chan

(6) Box Suite Tickets to  
A's vs Rangers August 6th





# 2021 homeowners EXPO



WE

## THANK YOU FOR ATTENDING!