

COVERING  
FEDERAL,  
STATE & LOCAL  
USDA LOANS  
VA LOANS



**PREMIER**  
MORTGAGE RESOURCES



# HOMEOWNERSHIP *WITHIN REACH*

ALL ABOUT DOWNPAYMENT ASSISTANCE PROGRAMS

# TEAMSABRINAHOMELOANS.COM



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**H O M E L O A N S**

# “AM I READY?”

## “IS MY CREDIT GOOD ENOUGH?”

## “CAN I AFFORD TO BUY A HOME?”

## “IS OWNING BETTER THAN RENTING?”

MANY PEOPLE WHO CONSIDER BUYING A HOME FOR THE FIRST TIME OFTEN PONDER THESE QUESTIONS BEFORE THEY START THE PROCESS.

**Many people who consider buying a home for the first time often ponder these questions before they start the p With all of the questions that arise, usually, the biggest concern is whether they can afford a down payment on a new home.**

A recent nationwide survey\* of about 24,000 renters found that 80 percent of young renters, born between 1982 and 2004, want to purchase a house or condo, but feel they cannot afford a 20 percent down payment. The survey found that a majority of young people who live in the nation's large metro areas will need to save money for at least a decade, or more, to afford a 20 percent down payment.

However, the idea that a person needs a minimum of 20 percent down payment to buy a home is a misconception. According to the National Association of Realtors, 37 percent of those 34 years or younger believe they need more than 20 percent for a down payment, and only 13 percent believe they need five percent or less. In actuality, the median down payment for single family homes and condos purchased with financing in 2017 was only 7.3 percent of the median home price.

Creditworthy buyers have several lending options available that either require no money down, or as little as 3.5 percent down. For example, there are down-payment assistance program such as state, federal and other local programs.

This document addresses such programs.

## LET'S GET STARTED!

\*Source: <https://www.apartmentlist.com/research/american-dream-homeownership-delayed-millennial-generation>





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# GOVERNMENT FUNDING

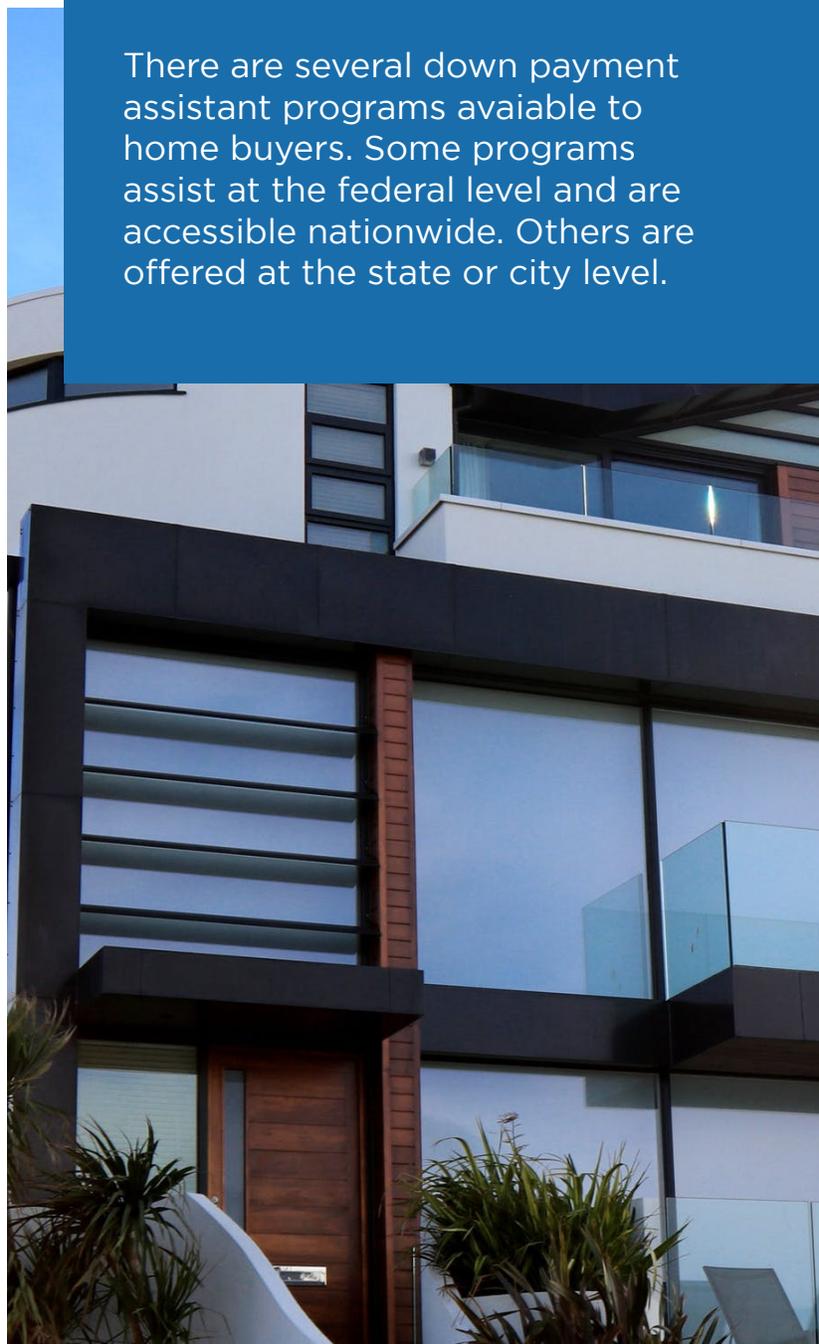
## FEDERAL, STATE AND LOCAL DOWN PAYMENT PROGRAMS

There are several down payment assistance programs available to home buyers. Some programs assist at the federal level and are accessible nationwide. Others are offered at the state or city level.

The American Dream Down Payment Initiative (ADDI), is a Federal Grant Program which helps lower income homebuyers with down payments and closing costs.

The ADDI differs from other down payment assistance programs because the funds come directly from the government through the HOME Investment Partnerships Program, which funds the Department of Housing and Urban Development as well as local housing agencies.

The maximum down payment grant is \$10,000, or 6 percent of the purchase price of the home, whichever is greater. Grants are offered to first-time homebuyers with annual incomes that do not exceed 80 percent of the county's median income based on the number of people in the household. In addition, eight or more hours of homebuyer counseling classes must be completed to qualify for the grant. The subsidy can be used toward a down payment, or for closing costs and other costs associated with the home buying transaction.





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# GOVERNMENT FUNDING

## FEDERAL, STATE AND LOCAL DOWN PAYMENT PROGRAMS

Continued...

Aside from federal assistance, a homebuyer can also receive state assistance. Homebuyers in Idaho applying for Advantage, Preferred, and First Loan products may be eligible for Idaho Housing's 10-year down payment and closing costs assistance second mortgage program through its Idaho Housing and Finance Association. The maximum amount of a second mortgage is 2.5 percent, or \$8,000, and is 2 percent above Idaho Housing's standard interest rates.

There are other states offering down payment assistance.

**Visit [HUD.gov/buying/localbuying](https://www.hud.gov/buying/localbuying) for more information on Local Homebuying Programs.**





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# USDA LOANS

**THE UNITED STATES  
DEPARTMENT OF  
AGRICULTURE OFFERS  
DOWN PAYMENT  
ASSISTANCE THROUGH  
IT'S USDA RURAL  
DEVELOPMENT  
GUARANTEED  
HOUSING.**

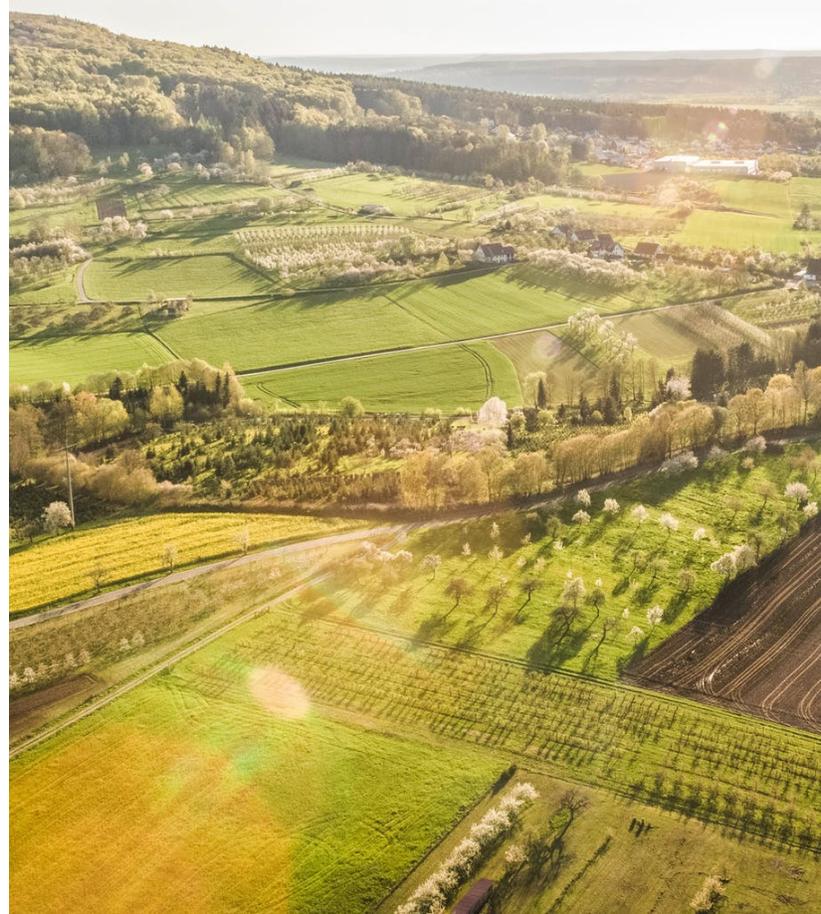
At first glance, it may appear that this loan program is for ranchers or farmers. However, qualification is based mostly on location and income. This loan program provides zero-down-payment mortgages for rural and suburban homebuyers in hopes of improving their quality of life in rural America. There are three USDA home loan programs:

**Loan guarantees-** This program offers a USDA-guaranteed mortgage issued by a participating local lender. This program offers low mortgage interest rates even without a down payment. Qualifications for this program are based on location, household size, income, credit history and a debt-to-income ratio, which must not exceed 41 percent for participants with a credit score of 680 or less.

**Direct loans-** The USDA also issues direct loans for very low-income applicants, and with subsidies, interest rates can be as low as 1 percent. This program is for individuals who are unable to secure a traditional home loan. In this case, the USDA will issue mortgages to individuals who are below the low-income limit for their area. Homes must be 2,000 square feet or less and appraise at a low market value.

**Home improvement loans and grants-** This program offers a combination of loans and grants to provide up to \$27,500 toward home repairs or upgrades to ensure decent, safe and affordable housing. Funds can be used to remove health and safety hazards, or make a home accessible for household members. Repairs may include: furnaces, appliances, electrical, foundations, siding, roofing windows, plumbing, wells and septic systems.

In 2017, the USDA helped approximately 127,000 families in rural communities buy and/or upgrade their homes. Applicants with credit scores of 640 or higher receive preferred processing. Applicants are also able to qualify with a nontraditional credit history.





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# VA LOANS

**FOR AMERICA'S  
HEROES.**

A VA loan is a federally guaranteed home loan backed by the Veterans Administration and was designed to provide housing and assistance for veterans and their families. Private lenders, such as banks, savings and loans, or mortgage companies offer VA loans to eligible veterans for the purchase of a home, which must be for their own personal occupancy.

Because the loan is federally backed by the VA, the lender is protected against a default on the loan, so the lender will not require a down payment. The lender will also often offer a lower interest rate and terms than a conventional home loan in addition to reduced closing costs and no prepayment penalties. There are also services for veterans in danger of defaulting on their loans.

VA loans are available nationwide. VA loans are available nationwide. The VA will guarantee a maximum of 25 percent of a home loan amount depending upon if you have full entitlements.. Simply being a veteran doesn't automatically qualify a home buyer for a VA Loan; there are other considerations, such as time in service, income and creditworthiness.

To qualify for a VA loan, military personnel must have served either 181 days during peacetime, 90 days during war, or must be a spouse of serviceman either killed or missing in action.

National guards and reservists must have served at least six years to qualify. In addition, spouses of servicemen must meet specific requirements.

**Over 25 million veterans and military personnel are eligible for VA Loans. The VA loan program was created as a part of the Serviceman's Readjustment Act in 1944, also known as the GI Bill of Rights, to help veterans achieve the dream of home ownership. Ther Servicemen's Readjustment Act has helped vets and their families more than any other program in history, and as also fostered growth for the nation's economy.**



# ACHIEVE THE DREAM OF HOME OWNERSHIP.

CONTACT YOUR LOCAL PMR  
LOAN OFFICER TODAY

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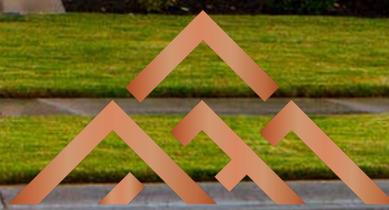
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**HOMELOANS**

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