

# Pathways to Homeownership: Start your journey with WHRC!



Washington  
Homeownership  
Resource  
Center



# OUR MISSION



The mission of the Washington Homeownership Resource Center (WHRC) is to preserve and increase homeownership in Washington state by educating and empowering current and future homeowners.



Since 1995, WHRC has helped  
**O V E R 1 4 0 , 0 0 0**

Washington homeowners to  
achieve the dream of  
homeownership or avoid  
foreclosure.



# OUR WORK



Through our hotline & website we provide our clients with personalized information and referral to vetted homeownership supports, including:

- Homebuyer assistance programs
- Pre-purchase education and counseling
- Mortgage, property tax, and HOA foreclosure intervention counseling
- Reverse mortgage counseling
- Owner-occupied repair assistance
- Post-purchase education and assistance
- Lending and Real Estate professionals
- Legal aid
- Credit counseling



# WHRC is a proud partner of the Black Home Initiative!



The goal of the Black Home Initiative (BHI) is to create opportunity **for 1,500** low-and moderate-income Black households to own a home in South Seattle, South King County, Thurston County, and North Pierce County within the next seven years.

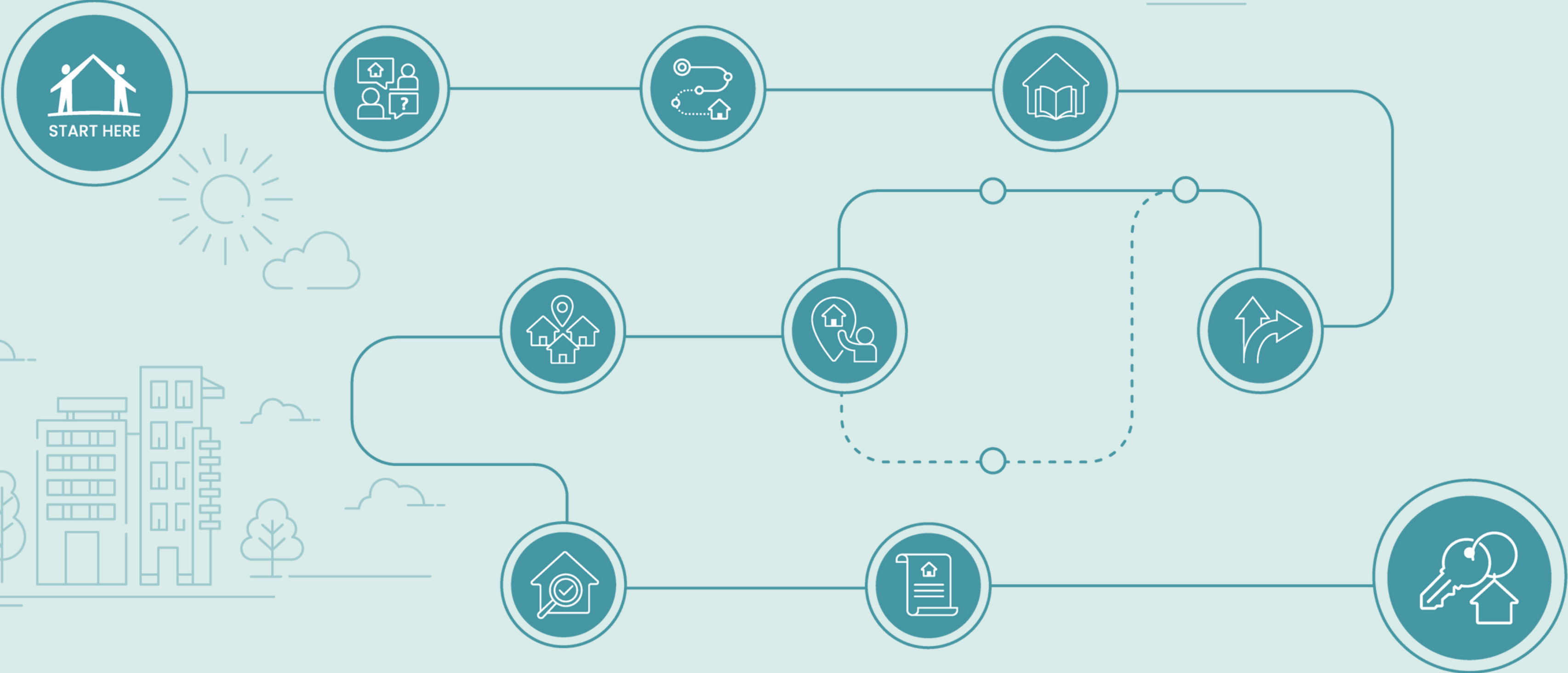


# A HOMEBUYER'S JOURNEY



OVERVIEW

# Homebuyer's Journey Map







# WHAT IS A FIRST-TIME HOMEBUYER?

- You have not owned a home within the past three years
- You are a single parent who has only owned a home while married to a former spouse.
- You have only owned a residence that had no permanent foundation (such as a manufactured home)
- You only owned a property that was determined to be uninhabitable.





**STEP 01**

## **Call our Hotline or attend a Homebuyer Info Session**

We'll discuss your goals and provide information and resources for getting started. The WHRC hotline is 1-877-894-HOME (4663).



## STEP 02

# Meet with a Housing Counselor

We will connect you with a HUD-certified housing counselor from our verified non-profit network. They will serve as a trusted advisor throughout your homeownership journey, helping you navigate milestones and challenges.

# Buying VS Renting

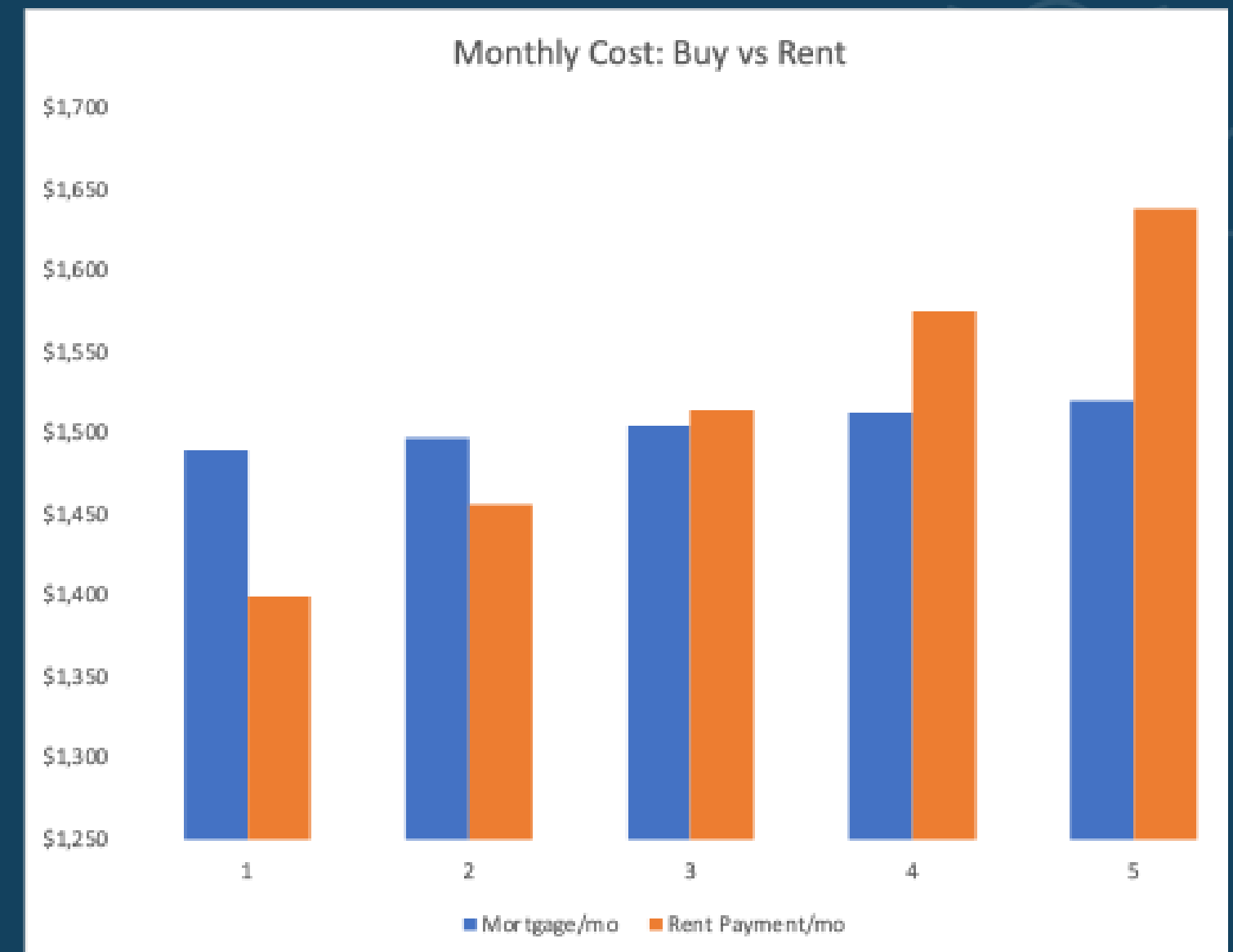
## Renting

- Covering others mortgage + profit
- No wealth building

## Owning

- Covering your own mortgage building equity
- Biggest indicator of wealth

**Even if your rent is cheaper today, its likely a house will have lower monthly costs in a few years.**



Assumptions: Principle and Interest are constant over 30 year mortgage. Taxes and Insurance inflate at 4%. Rent inflation is 4%. Explanation: Taxes and insurance are a small fraction of the mortgage payment, where the whole amount of the rent is inflated at 4% and can be inflated to up to 8%



### STEP 03

## Plan your homeownership path

With your housing counselor, you will create a budget, determine a timeline, assess your credit, and explore resources like down payment assistance, affordable homeownership opportunities in your area, and lending options.

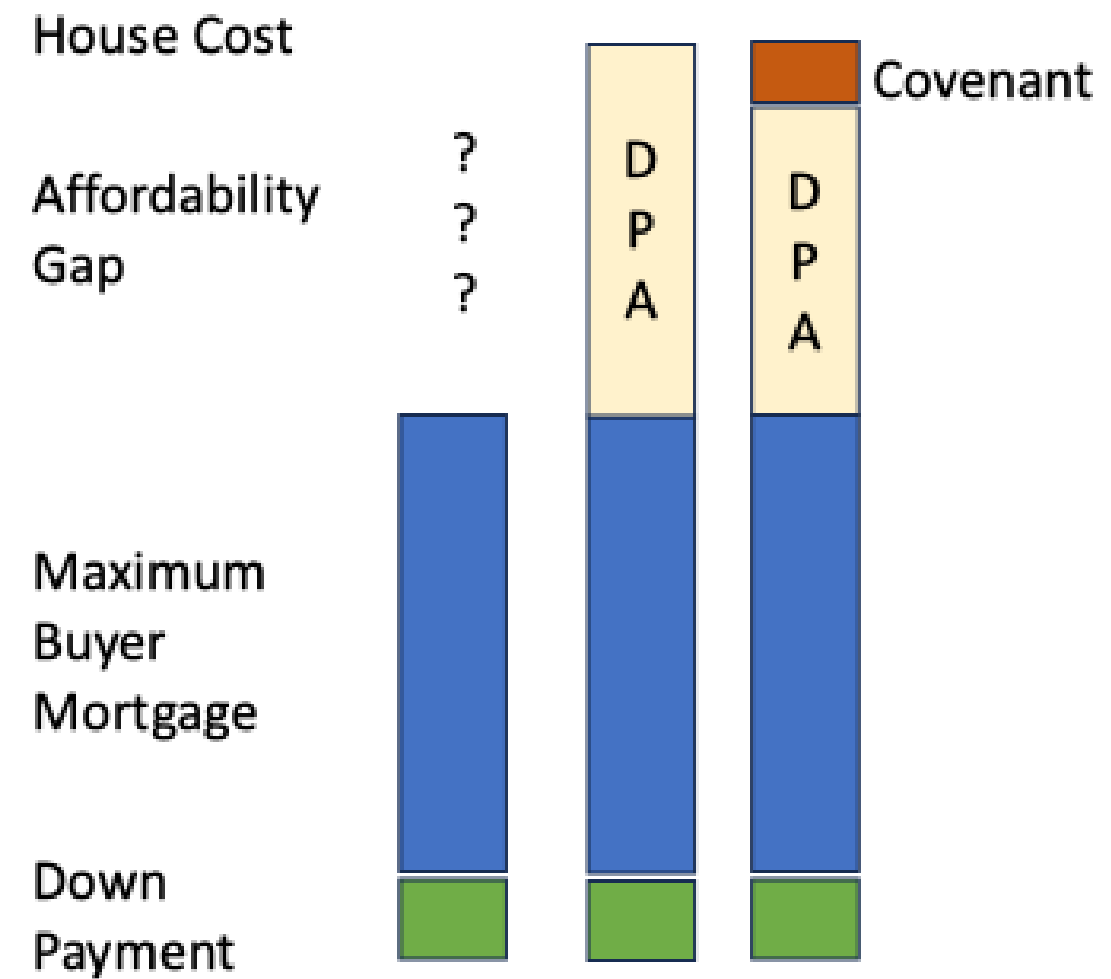


# DOWN PAYMENT ASSISTANCE

# Down Payment Assistance

- Grants are forgivable after x years
- Loans are paid at time of sell, refinancing, after x years
- Assistance with covering closing costs
- Possibility of combining with other programs
- Income qualified

## Conventional Fee-Simple Purchase





# CONVENANT HOMEOWNERSHIP PROGRAM





## Covenant Homeownership Program

# Deep roots in Washington?



WHRC collaborates closely with WSHFC and the new Covenant Homeownership Program. This program provides assistance with the down payment on a home for families who were impacted by state-sanctioned housing discrimination before 1968.

### Program eligibility & details:

- Household income at or below 120% of the Area Median Income (AMI)
- First-time homebuyer
- The homebuyer (or a parent, grandparent, or great-grandparent of the homebuyer) lived in Washington state before April 1968
- 20% DPA up to 150k + closing cost
- The person who lived in Washington before April 1968 is Black, Hispanic, Native American/Alaska Native, Native Hawaiian or other Pacific Islander\*, Korean or Asian Indian

\*Following the U.S. Census definitions, "Pacific Islander" includes individuals with origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands, including, for example, Samoan, Chamorro, Tongan, Fijian, and Marshallese.





# HOME ADVANTAGE



## Program eligibility & details:

- If you make below 215K/yr

## Any loan type

- 15–25k in DPA
- 0% interest DPA
- No minimum credit score





# HOUSE KEY



## Program eligibility & details:

- Household income at 80% AMI
  - 1-2 person= 74,700
  - 3+ person household= 9,3350
- No credit score requirement
- First-time homebuyer
- 15k dpa and below market 1st mortgage rates

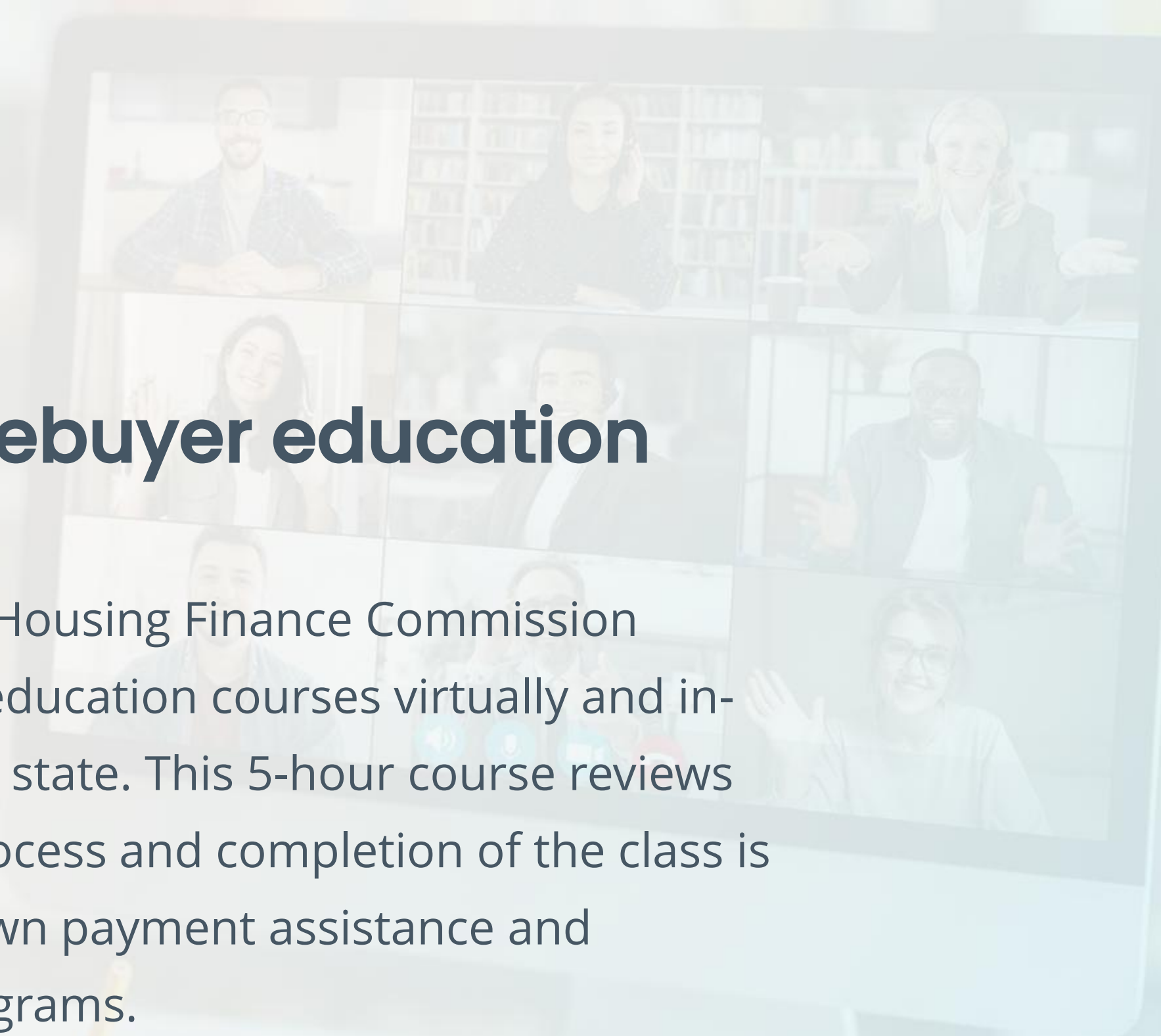




#### STEP 04

## Attend a homebuyer education class

The Washington State Housing Finance Commission sponsors homebuyer education courses virtually and in-person throughout the state. This 5-hour course reviews the home purchase process and completion of the class is required by certain down payment assistance and affordable lending programs.





## STEP 05

# Explore your homebuying options

Consider traditional, market-rate home purchasing as well as learn about additional opportunities such as:

- Community Land Trust
- Self Help Housing
- Shared Co-op

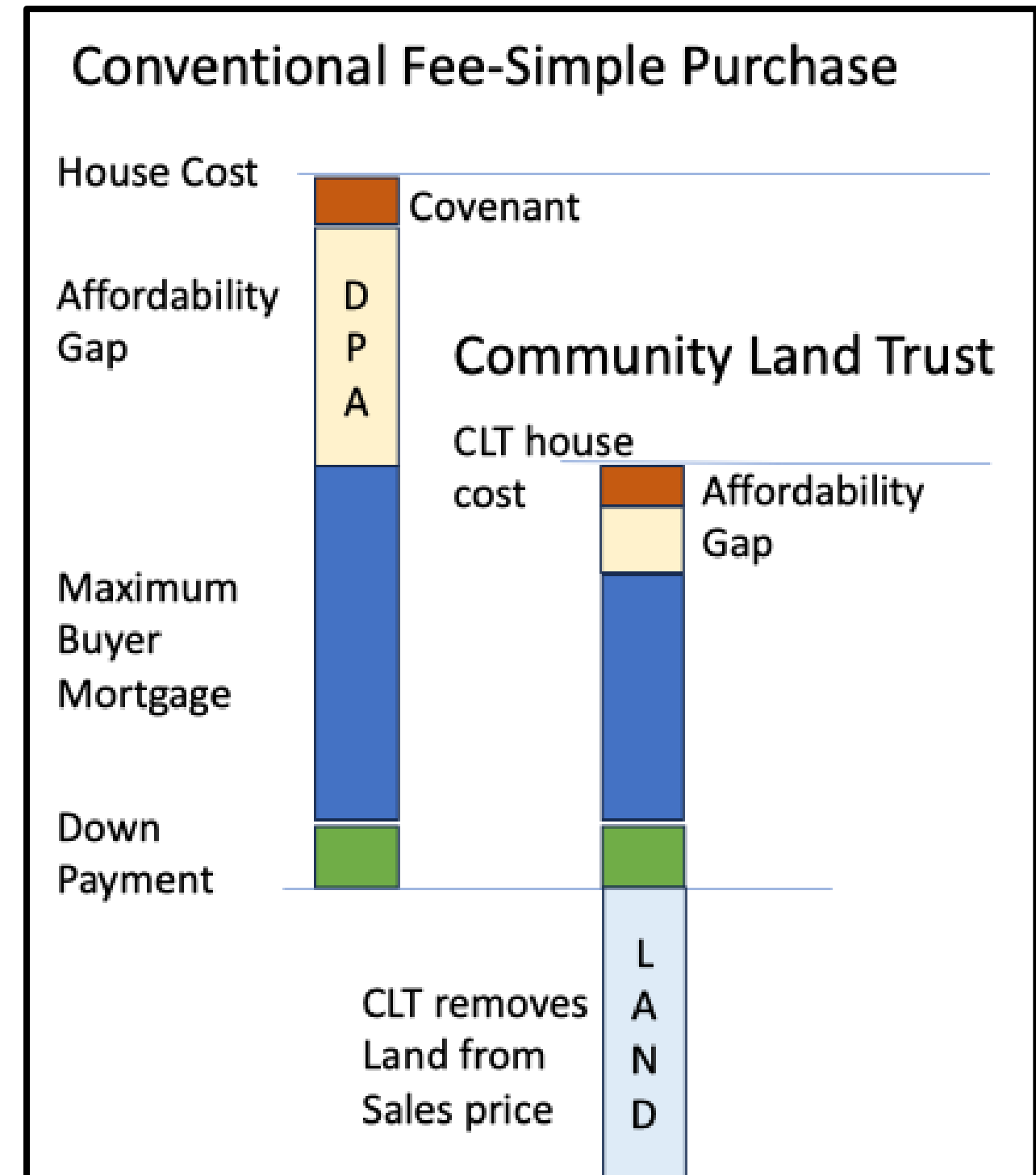


# SELF-HELP HOUSING



# SELF-HELP HOUSING

- You help build your home through sweat equity
- You own the structure and the organization owns the land
- Income qualified
- 80% area median income(AMI)
- Limited equity
- Monthly payment is based on income

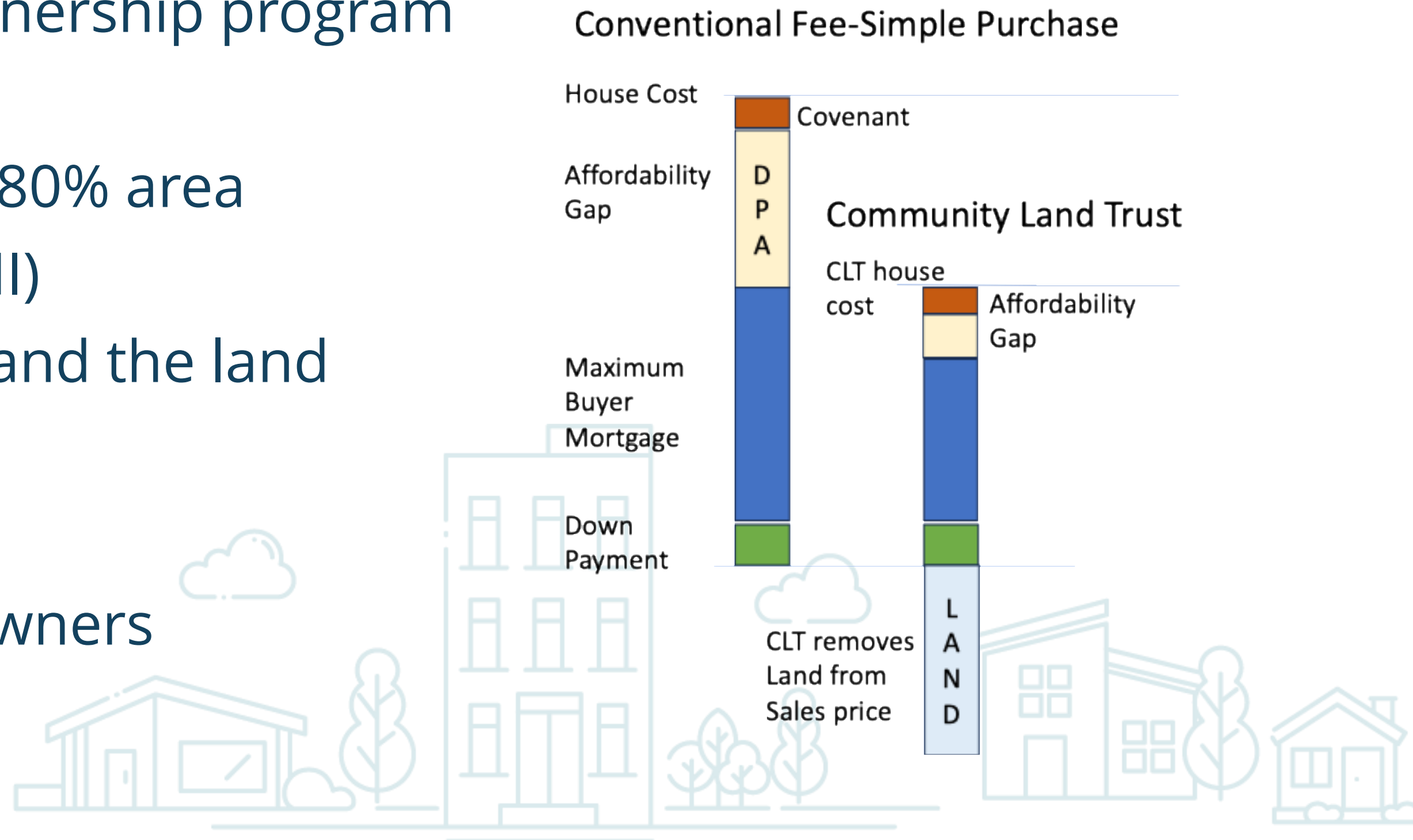




# COMMUNITY LAND TRUST



- Non-profit homeownership program
- Income qualified
- Usually at or below 80% area median income (AMI)
- You own the home and the land trust owns the land
- Limited equity
- Usually in a Homeowners Association

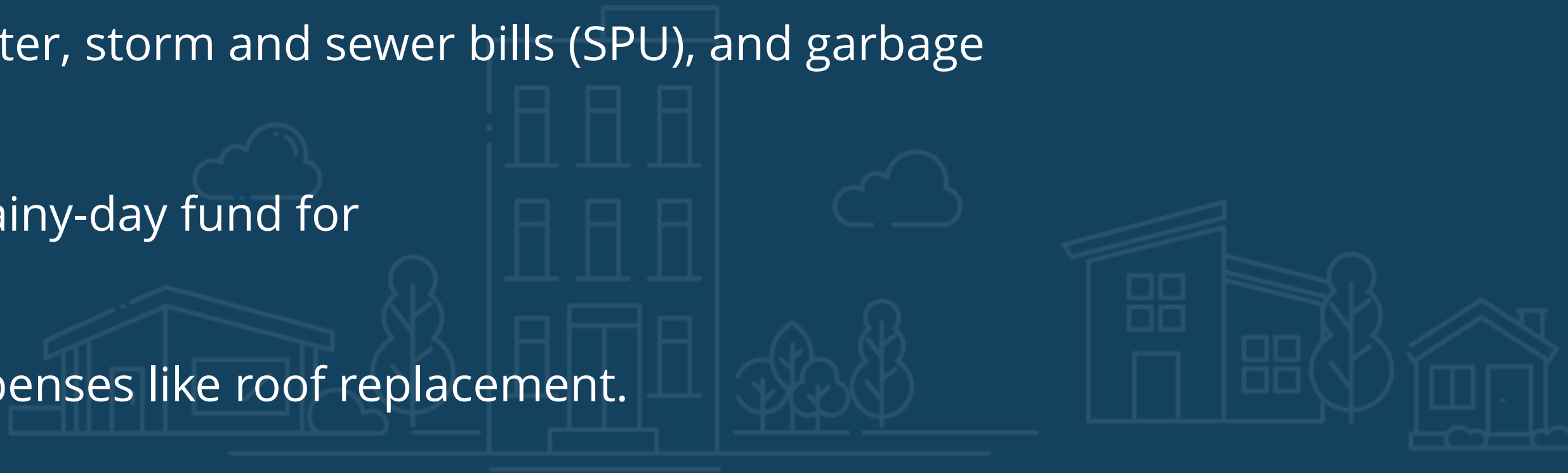




# SHARED CO-OP



- First Time Homeowner or not owned a home in 3 years
  - Owner-Occupied must be primary residence
  - Must earn under 80% of Area Median Income
- Own a share in a non-profit corporation that entitles you to live in your unit.
- Have the option to sell your share, which can also be passed down to heirs.
- Share prices in co-ops may be lower, but the monthly carrying costs are higher because they include.
  - Some utilities - such as water, storm and sewer bills (SPU), and garbage collection.
  - Cover contributions to a rainy-day fund for
    - Common areas
    - Unexpected future expenses like roof replacement.
    - In case of job loss





## STEP 06

# Choose a lender and real estate agent

WHRC maintains a directory of vetted mortgage lending and real estate partners. If you're interested in referrals, contact our hotline.



# REALTY



- Real estate professional
- Helps you look for a home
- Helps you negotiate your purchase
- Writes the offer
- Guides you through closing process





# LENDING



- Pre-approval requirements
  - Credit
  - Down Payment - (not necessarily requiring 20%)
  - Debt to income ratio
- Special programs
  - ITIN
  - Halal
  - Debt Reduction Program
  - Covenant Homeownership Program





## STEP 07

# Select a home and make an offer!

Your housing counselor and real estate agent can help you make an informed offer on a home. If your offer is not accepted, don't get discouraged! This is common, and your housing counselor will help you refine your plan and continue your path.



## STEP 08

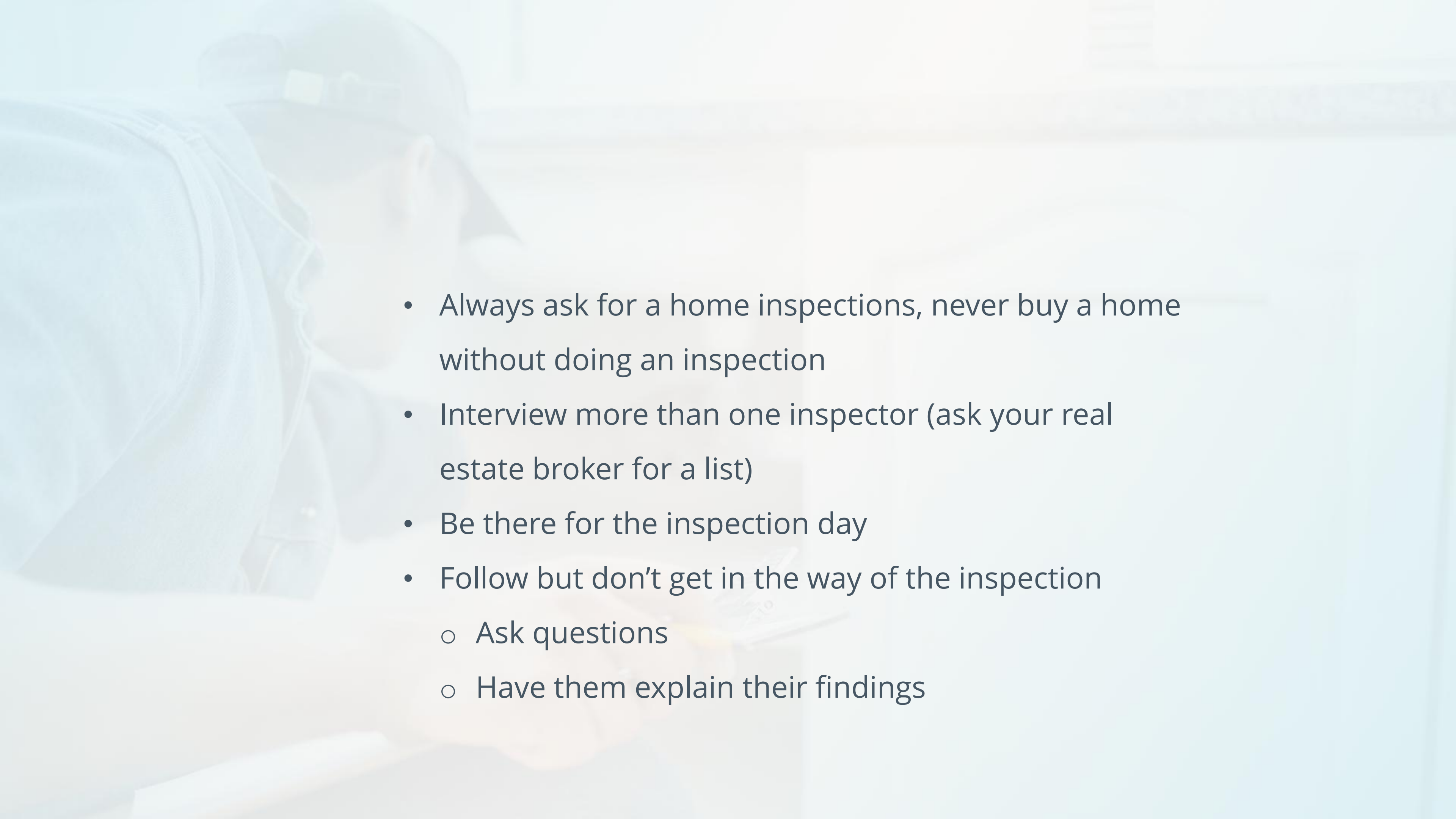
# Prepare

If your offer is accepted, then your housing counselor, real estate agent, and lending professional – your homeownership team! – will guide you through the timeline to closing and next steps, including home inspection, appraisal, and paperwork.



# HOME INSPECTIONS



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- A person wearing a blue long-sleeved shirt and a dark cap is leaning over a table, looking at a document. The background is a bright, slightly blurred indoor setting.
- Always ask for a home inspections, never buy a home without doing an inspection
  - Interview more than one inspector (ask your real estate broker for a list)
  - Be there for the inspection day
  - Follow but don't get in the way of the inspection
    - Ask questions
    - Have them explain their findings



**STEP 09**

## **Close on your home**

The “closing,” or settlement, is the final step before you officially take ownership of the home. Funds are exchanged and key documents are signed to finalize the sale.



## STEP 10

# Congratulations, you're a homeowner!

But you're not done yet – take time to learn all you can to help you sustain homeownership. Your housing counselor offers post-purchase counseling, which includes strategies for maintaining your home, and what to do if you encounter financial challenges.



# HOME WARRANTIES



- Home warranties covers a certain amount of the repair and you cover the rest
- Company chooses repair technicians
- Monthly fee: The average home warranty plan costs \$62.33 per month
- Service Fee: the average service fee is between \$65-\$100
- **System plans**
  - heating and cooling
  - electrical
  - plumbing.
- **Appliance plans**
  - dishwasher
  - oven
  - washing machine.



# Q & A

