



# **HOMEBUYER WORKBOOK**

2024

# HOMETODAY

Historically, Home*Today* has combined innovation in lending with education to provide first-time and First-Generation home buyers the opportunity to achieve successful homeownership. Now, Home*Today* continues with a program that gives anyone, who is ready to learn how to manage their money, the tools and resources necessary to reach their financial Goals - from buying a house, to buying a car, to paying for a child's college education.

# HOMETODAY - TABLE OF CONTENTS

## SESSION 1

I.	INTRODUCTION TO HOMETODAY.....	4
	<ul style="list-style-type: none"><li>• HomeToday Webinar and Program Instructions</li><li>• Understanding the Purpose of HomeToday</li><li>• Understanding Down Payment and Closing Cost</li></ul>	
II.	WHAT ARE YOUR GOALS .....	6
	<ul style="list-style-type: none"><li>• Setting Financial Goals</li><li>• Calculating Your Income</li><li>• Tracking Your Spending</li><li>• Documents You May Need</li></ul>	

## SESSION 2

III.	TYPE OF HOUSING EXPENSE AND SAVINGS PLANS.....	30
	<ul style="list-style-type: none"><li>• 10 Money Management Pitfalls</li><li>• Importance of Creating a Spending a Plan</li><li>• Type of Household Expenses and Savings Plans</li><li>• Emergency Expenses in a Spending Plan</li><li>▪ Taking a Closer Look at Where the Money Goes</li><li>▪ How to Use Credit Apps</li></ul>	

## SESSION 3

III.	WHAT CAN I AFFORD .....	43
V.	WHAT IS A CREDIT SCORE.....	47
	<ul style="list-style-type: none"><li>• Tips for Raising Credit Scores</li><li>• What Factors Influences Credit Scores</li><li>• How to Review A Credit Report</li><li>• Shopping for the Loan</li></ul>	

## SESSION 4

VI.	WORKING WITH HOUSING PROFESSIONALS .....	51
	<ul style="list-style-type: none"><li>• Fair Housing Protection</li><li>• Real Estate Professionals</li><li>• Understanding the Loan Process</li><li>• Making the Offer</li><li>• Signing the Purchase Agreement and Selecting a Lender</li></ul>	
VII.	UNDERSTANDING THE MORTGAGE PROCESS.....	55
	<ul style="list-style-type: none"><li>• Understanding the Closing Process</li><li>• Working with Lenders, Insurance Agents, Closing Agents</li><li>• Requesting Home Inspection</li></ul>	
VIII.	HOME MAINTENANCE .....	62
	<ul style="list-style-type: none"><li>• Home Maintenance Items to take Care Of</li></ul>	
IX.	AVOIDING FORECLOSURE .....	64

# HOMETODAY - INTRODUCTION TO HOMETODAY

## HomeToday Webinars on Zoom

This *HomeToday* Seminar is being held via a Webinar on zoom. Please do not activate your sound, unless requested by the Presenter. The Chat room is being used for comments to make sure we provide you with quality services and a place to participate in the Webinar.

**NEED ASSISTANCE:** (Send all request/information to [home.today@thirdfederal.com](mailto:home.today@thirdfederal.com))

### 1. **How to receive Credit for attending the Webinar:**

HT Participants must register for all four seminar sessions at [www.thirdfederal.com/hometoday](http://www.thirdfederal.com/hometoday) and complete each session, preferably in sequence and complete at least 1 individual assessment with a HT HUD Certified Counselor to receive your completed HUD Housing Certificate. (Counselor determines the number of sessions needed)

- A. You will receive your HT webinar invite the Friday prior to the seminar. In order to receive your HT Zoom link **you must** confirm your registration within the link provided in your invitation.
- B. If you are having Zoom issues, our HomeToday staff will not be available after 5:00pm (**Plan ahead**).
- C. If you live in an area where you have a weak internet signal we suggest that you use the Zoom phone numbers provided in the Zoom link. In the Zoom invitation, there will be phone numbers listed in case you are unable to get into the webinar.
- D. Be on time (We recommend that you login at least 10 minutes prior to each HT Webinar session to make sure you can connect) You must be in each webinar session for at least 1 hour and 40 minutes in order to receive full credit for that session. Each Zoom seminar and/or webinar will lock at 6:45pm and you will **not** be able to re-enter the seminar session.

### 2. **Multiple people on one device:** More than one person can participate in *HomeToday* webinars on zoom by using the same device. For everyone to receive proper credit for attending each session, all names must be entered in zoom chat.

- A. Please check how your “device name” is listed prior to logging into the Zoom webinar sessions.
- B. If there are multiple people on one device, please place the name, telephone number and email address of the attendees in the chat. (**Only the host and presenter can see information in the chat**)
- C. If all attendees are not registered, you must send an email to [home.today@thirdfederal.com](mailto:home.today@thirdfederal.com) or contact the **customer care department at 216-441-7345** and provide the unregistered person(s), name, home address, phone number and email. This email must be sent within 24 hours for the attendee(s) in order to receive credit for the webinar session

### 3. **Unable To print documents:**

- A. All Public Libraries provide use of their computers to print/fax/scan documents free of charge. If you do not have a way to print the documents and workbook, send an email to [communitydevelopment@thirdfederal.com](mailto:communitydevelopment@thirdfederal.com) and include in the email your name, address and write you are requesting a copy of the workbook which will be mailed to you. (Please allow 7 business days to receive the workbook.)


### 4. You will have **12-months** from the date of registration to complete the HomeToday webinar sessions. If you do not complete all four webinar sessions within a **12-month** period, you will need to re-register and attend all four webinar sessions prior to meeting with your HUD certified counselor.

# HOMETODAY - INTRODUCTION TO HOMETODAY

1. Each registered attendee will be sent a request for “*The Demographic Information Form*” after you have attended your first HT webinar. Please allow up to 72 hours to receive the email. If you are unable to locate the email, remember to check your trash or junk folder before you call requesting the email be sent again. **Respond** by completing all the questions on the form. You must click **Submit** to return the form electronically back to Mustard Seed.

## Example of the Email from Mustard Seed



/securedportal/ MSDC Request Demographic Information for HomeToday 



Toree Stokes  
to me

5:05 PM (3 minutes ago) ☆ ↶ ⋮

Thank you for registering for Third Federal's HomeToday Home Buying Seminars. During the seminars you were given notification that Mustard Seed Development Center would be reaching out to you to obtain your demographic information.

Please find the Demographic Information Request link below to assist us in providing HomeToday Home Buying Sessions attendees that may be eligible for affordable housing programs, services, discounts and down payment assistance opportunities.

In order to receive your HomeToday Next Step Letter, and start your Counseling sessions we need you to complete the following guidelines:

1. Completion of all four of the HT Seminar Sessions.
2. Provide MSDC the HUD Housing Counseling Agency with demographic information (See Demographic Link Below)
3. Then complete at least one individual Assessment with a HUD Certified Housing Counselor to assist with your Mortgage Readiness to begin the loan process (additional sessions may be required)

Please click the link below to begin the Demographics Questionnaire Form:

<https://forms.office.com/r/dkiqGmVQqB>

Thanks

Each month MSDC will send out a new link.

Click the link in the email to complete and return the form.

If you have NOT received the email from Mustard Seed after the second seminar, contact Mustard Seed Development Center by sending an email to request the demographic link be sent again:

**HOMETODAY@MUSTARDSEEDCDC.COM**

# **HOMETODAY** - Purpose of The HomeToday Seminars

HomeToday is a webinar series that is designed to provide money management skills in connection with the home-buying process and homeownership.

## **PURPOSE:**

- ▶ **INCREASE** the success in how you manage your money
- ▶ **CHALLENGES** you on how you think and make decisions about money
- ▶ **ENCOURAGES** you to set and achieve a written plan for your financial goals
- ▶ **ENHANCE** your ability to have a productive conversation with bankers, builders, credit bureaus, insurance agents, sellers and people you might encounter in working toward achieving your goals
- ▶ **OFFER** Down Payment/Closing Cost Assistant opportunities
- ▶ **GAIN** access to a personal financial counselor that will increase your ability to be prepared for the loan process

## **INFORMATION YOU WILL LEARN:**

- ▶ How the Home*Today* process works (Orientation)
- ▶ How to Prepare for the Loan Process
- ▶ How to Determine What is Affordable for Homeownership
- ▶ Tools to Plan for Your Financial Future
- ▶ How to Become and Maintain Being a Successful Homeowner
- ▶ How to Participate in Individual Counseling Sessions

# HOMETODAY - DOWN PAYMENT AND CLOSING COST

## Each lender has different requirements for Down Payment and/or Closing Cost Assistance:

- Each Lender has a Down Payment and Closing Cost estimated percentage requirements that you must meet that will be reviewed by the underwriting department for the mortgage product you select.
- There may be a minimum loan amount or a maximum purchase price depending on the lender.
- During the Pre-Approval process, some lenders may request you to demonstrate that you have funds for Down Payment/Closing Cost and where those funds came from prior to letting you know how much loan amount you may qualify for.

### Please Note:

Lenders may have “*lender specific programs*” where you can purchase a home with (No) money needed for down payment or closing cost. These programs may require you to have a higher monthly payment, and/or decrease the amount of a home you can purchase.

## Definition of Down Payment

A **down payment** on a house is the money a buyer pays upfront to complete the real estate transaction. Down payments are typically a percentage of a homes’ purchase price and can range from 3-20% for a primary residence.

## Definition of Closing Cost

When buying a house, **closing cost** are the various fees you and the seller pays to service providers that are part of the home-buying process, usually 3-5% of a home purchase price. Home-buying closing cost can include attorney fees, property appraisals, and mortgage fees.

# **HOMETODAY - DOWN** PAYMENT AND CLOSING

## **Down Payment and Closing Cost Programs can come as:**

Grants with restrictions

Grants without restrictions

Forgivable Grants over time

Grants for specific locations

Grants for specific housing developments

Grants offered by lenders

Grants offered by government

Grants offered by non-profits

Discounted closing costs

Gifts from family

### **Please Note:**

If you plan to use a non-lender sponsored program, you must provide your lender with written specification prior to signing a purchase agreement.



# HOMETODAY - What are your Goals?

**Financial Goals** are about what you want to do with your money.

Some goals may be short-term and some are long-term. Listing your goals helps you to monitor success. List your goals below:

#	GOAL DESCRIPTIONS	<input checked="" type="checkbox"/>
SHORT TERM GOALS		
LONG TERM GOALS		
#		<input checked="" type="checkbox"/>

**Notes:**

# HOMETODAY - Identifying My Dreams and Goals

My Dream: \_\_\_\_\_

	Short-Term (What Part of the goal I will accomplish in the next year)	Mid-Term (What part of the goal I will accomplish in the 1-3 years)	Long-Term (what part of the goal I will accomplish in the next 3-5 years)
<b>Goal:</b>			
<b>Action Plan:</b> (Write Down the date that you'll complete each action planning step)			
<p><b>My Strengths:</b> What I have and what I need to build, Personally, to Reach my goals:</p> <p><u>What I'm already doing well:</u> _____ <u>What I need to develop or work on:</u> _____</p>			
<p><b>My World:</b> Who and What is helping me in my life, who and what do I need in my life to reach my goals?:</p> <p><u>What I Have:</u> _____ <u>What I Need:</u> _____</p>			

# HOMETODAY - Identifying My Dreams and Goals

My Dream: \_\_\_\_\_

	Short-Term (What Part of the goal I will accomplish in the next year)	Mid-Term (What part of the goal I will accomplish in the 1-3 years)	Long-Term (what part of the goal I will accomplish in the next 3-5 years)
<b>Goal:</b>			
<b>Action Plan:</b> (Write Down the date that you'll complete each action planning step)			
<p><b>My Strengths:</b> What I have and what I need to build, Personally, to Reach my goals:</p> <p><u>What I'm already doing well:</u> _____ <u>What I need to develop or work on:</u> _____</p>			
<p><b>My World:</b> Who and What is helping me in my life, who and what do I need in my life to reach my goals?:</p> <p><u>What I Have:</u> _____ <u>What I Need:</u> _____</p>			

# HOME *TODAY* - Calculating Your Income

What income sources can be used to Purchase a Home?

## **Regular Income**

- Gross Income Earnings
- Social Security/Disability/Pension
- Retirement Income
- Self-Employment Income

## **Additional Income**

- Overtime / Part-time Pay
- Bonuses, Tips, Alimony and Child Support
- Rental Income

## **Cash Income**

- Distributions/Annuities

**What income sources may not be used to purchase a home?**

- Income Not reported on your Tax Return (being paid under the table, income without a 1099)
- Income Not made within 12-24 months or will not be available 3 years after the loan is closed

# HOME *TODAY* - Calculating Your Income

## INCOME REVIEW WORKSHEET

Monthly Income	Monthly Gross	Monthly Net
Earnings		
SSI/Pension/Retirement/ Benefits		
Self/Employed Income		
Other		
<hr/>		
Bonuses		
Tips		
Alimony		
Child Support		
Rental/Self-Employed Income		
Family Contribution		
Other		
<hr/>		
Annuities		
Other		
<hr/>		
TOTAL GROSS & NET INCOME (A)	\$ -	(B) \$ -
<hr/>		
Totally Yearly Gross & Net Income	\$ -	\$ -

### INCOME REVIEW WORKSHEET

Monthly Income	Monthly Gross	Monthly Net
Earnings	\$ 5,000.00	\$ 4,250.00
SSI/Pension/Retirement/Benefits		
Self Employed Income		
Other:		
Other:		
<hr/>		
Bonuses	500	425
Tips		
Alimony		
Child Support		
Rental/Self-Employed Income		
Family Contributions		
Other:		
Other:		
<hr/>		
Annuities		
Other:		
Other:		
<hr/>		
TOTAL GROSS & NET INCOME	\$ 5,500.00	\$ 4,675.00
<hr/>		
Total Gross Yearly & Net Income	\$ 66,000.00	\$ 56,100.00
<hr/>		
TOTAL GROSS & NET USED BY LENDING	\$ 5,000.00	\$ 4,250.00
<hr/>		
Total Yearly Gross & Net Used By Lender	\$ 60,000.00	\$ 51,000.00

Start by categorizing both your gross and net monthly income source(s). This can assist you in determining which income sources is best to use to calculate how much you can afford for a mortgage.

Some income sources are not consistent or reliable enough to be used in calculating how much you can afford for a mortgage payment. The lender will be looking at the income history over two years to identify the stability of the source.

It will be important for you the homebuyer to identify your monthly net amounts so you can calculate the new house payment into your total budget that will include all your household expenses.

# HOME TODAY - Calculating Your Income

## INCOME REVIEW WORKSHEET

Monthly Income	Monthly Gross	Monthly Net
Earnings		
SSI/Pension/Retirement/ Benefits		
Self/Employed Income		
Other		
<hr/>		
Bonuses		
Tips		
Alimony		
Child Support		
Rental/Self-Employed Income		
Family Contribution		
Other		
<hr/>		
Annuities		
Other		
<hr/>		
TOTAL GROSS & NET INCOME (A)	\$ -	(B) \$ -
<hr/>		
Totally Yearly Gross & Net Income	\$ -	\$ -

# HOMETODAY - TRACKING YOUR SPENDING

Tracking your spending for 4 weeks will give you a real picture of where your money goes each month. This information will help you understand the kinds of choices that you make with your money and is the first step in building a spending plan that works for you.

## **Step 1: Collect your receipts**

Use your brown paper bag or a tool that will allow you to collect receipts for every cent you spend throughout the week. Not possible to get a receipt? Then write down the amount you spend on a piece of paper and place it in your storage tool for daily receipts.

## **Step 2: Sort and categorize your receipts**

Sort your expenses into the categories on your weekly Summary Spending Chart pages 8-13. You cannot find the category you are looking for then put your expenses on page 13 under occasional expenses on page 16.

## **Step 3: Add it up and fill on the Weekly and Monthly "Summary Spending Charts"**

On page 9 carry over all four weeks and total each week for each category to determine what you have spent for the total months.



# HOMETODAY - Spending Categories Examples

## Spending Category Definitions

<b>Food</b> <ul style="list-style-type: none"> <li>• Groceries, personal items, toiletries</li> <li>• Lunch money</li> <li>• Vending machines</li> <li>• Coffee breaks</li> <li>• Convenience store items</li> <li>• Fast food/take-out</li> <li>• Dining out at restaurants</li> </ul>	<b>Transportation</b> <ul style="list-style-type: none"> <li>• Auto Insurance</li> <li>• Oil Changes</li> <li>• Tire rotation/new tires</li> <li>• Car repair/maintenance</li> <li>• Care emissions test</li> <li>• Car Inspection</li> <li>• Car Registration</li> <li>• License Plates/tags</li> <li>• Gas</li> <li>• Parking/tolls</li> <li>• Bus Fare</li> <li>• Cab Fare</li> </ul>	<b>Dependent Care</b> <ul style="list-style-type: none"> <li>• Child Care</li> <li>• After School Programs</li> <li>• Baby sitters</li> <li>• Camps</li> <li>• Allowance for Children</li> <li>• Respite/Daycare for Elders</li> </ul>
<b>Clothing</b> <ul style="list-style-type: none"> <li>• Adult clothes</li> <li>• Children clothes</li> <li>• School/Work Uniforms</li> <li>• Shoes</li> <li>• Dry Cleaning</li> <li>• Laundromat</li> </ul>	<b>Communications</b> <ul style="list-style-type: none"> <li>• Telephone</li> <li>• Website Domain/Host</li> <li>• Internet Service Providers</li> <li>• Cell Phone/Pager</li> <li>• Cable/Satellite TV</li> </ul>	<b>Long-term Insurances</b> <ul style="list-style-type: none"> <li>• Disability Insurance</li> <li>• Life Insurance</li> </ul>
<b>Housing</b> <ul style="list-style-type: none"> <li>• Saving on a down payment on a home</li> <li>• Rental Security deposit</li> <li>• Homeowner/renters insurance</li> <li>• Parking space at home</li> <li>• Electricity</li> <li>• Heat</li> <li>• Water</li> <li>• Sewer</li> <li>• Trash Removal</li> <li>• Household Furnishings</li> <li>• Household lines and towels</li> <li>• House maintenance supplies</li> <li>• Home repair needs (Plumbing,Etc.)</li> <li>• Seasonal cleaning (gutters, windows,etc)</li> <li>• Pest Control</li> <li>• Cleanings supplies</li> <li>• Landscaping/snow removal</li> <li>• Lawn care and garden supplies/tools</li> </ul>	<b>Education</b> <ul style="list-style-type: none"> <li>• School Tuition</li> <li>• Tutoring</li> <li>• School fees/field trips</li> <li>• School books/supplies</li> <li>• School Extracurricular activities</li> <li>• Lessons</li> <li>• Hobbies</li> <li>• Newspapers</li> <li>• Magazines</li> <li>• Books</li> </ul>	<b>Medical</b> <ul style="list-style-type: none"> <li>• Medical Insurance (Co-pays)</li> <li>• Doctor fees/ family medical</li> <li>• Doctor fees/pediatrician</li> <li>• Doctor fees/ other</li> <li>• Dental Insurances</li> <li>• Dental Fees</li> <li>• Vision Insurances</li> <li>• Eye glasses /contacts lens exam</li> <li>• Eye glasses or contact lens</li> <li>• Medication / Pharmacy</li> <li>• Medical Health Counseling</li> </ul>
<b>Personal Items</b> <ul style="list-style-type: none"> <li>• Tobacco</li> <li>• Alcoholic Beverages</li> <li>• Personal Care Items</li> <li>• Hair stylist/barber</li> <li>• Beauty appointments/nails</li> </ul>	<b>Recreation &amp; Leisure</b> <ul style="list-style-type: none"> <li>• Sporting Events</li> <li>• Hobbies</li> <li>• Movies (Theater, rentals, DVDs)</li> <li>• Music Purchases (CDCs etc.)</li> <li>• Bars</li> <li>• Theaters performances/concerts</li> <li>• Lottery tickets</li> <li>• Athletic club/gym</li> <li>• Travel/Vacation</li> <li>• Lessons</li> </ul>	<b>Gifts</b> <ul style="list-style-type: none"> <li>• Church Donations</li> <li>• Charites</li> <li>• Birthdays</li> <li>• Flowers</li> <li>• Other/Miscellaneous holidays</li> <li>• Christmas/Holidays gifts</li> <li>• Bridal/Showers/Anniversary's</li> </ul>
<b>Debt Payments</b> <ul style="list-style-type: none"> <li>• Auto Loans / Leases</li> <li>• House Loans/ Mortgage</li> <li>• House Loan/Rental options</li> <li>• Credit Cards</li> <li>• Student Loans</li> <li>• Legal Judgements</li> <li>• Alimony/Child Support</li> </ul>	<b>Other Living Expenses</b> <ul style="list-style-type: none"> <li>• Postage</li> <li>• Checking account fees</li> <li>• Check Cashing Fees</li> <li>• Photograph prints/Family Pictures</li> <li>• Pet Supplies/Grooming</li> <li>• Veterinarian</li> <li>• Club Dues</li> <li>• Memberships</li> </ul>	<b>Rent</b> <ul style="list-style-type: none"> <li>• Monthly Rental Payments</li> </ul>

# HOMETODAY - Occasional Expense Examples

## Understanding Occasional Expenses

Occasional Expenses Estimate Chart													Total
Items	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>CAR</b>													
License													
Inspections													
Maintenance													
Insurances													
Tickets													
Parking													
<b>HOME</b>													
Yard													
Insurances													
Furnishings													
Gifts/Cards													
Holidays													
Travel													
Enteraining													
<b>EDUCATION</b>													
Fees/Tuition													
Supplies/Books													
Class trips													
School Pictures/Mis													
<b>MEDICAL</b>													
Doctor Visits													
Dental Visits													
Vision													
Prescriptions													
<b>DUES/SCUBSCRIPTIONS</b>													
Magazine/Newspapers													
CDs, DVDs, Book Clubs													
Memberships/Clubs													
<b>OTHER</b>													
Clothing/shoes Adult													
Clothing/shoes Child													
other													
<b>TOTALS</b>													
<b>MONTHLY BUDGET AMOUNTS:</b> Divide the yearly total (last column on the right) by 12 to get the amount to budget monthly for occasional expenses. Enter the number in the box to the right.													

\* Chart adapted from the Ohio State University Extension "Manage Your Money" worksheets

# HOMETODAY - Tracking Your Spending

Tracking Your Spending: Week 1

	Net Income	\$ 1,062.50
<b>SUMMARY SPENDING CHART</b>		<b>Week 1</b>
Food	+	\$ 250.00
Clothing	+	\$ 50.00
Housing Expenses	+	\$ 139.00
Rent	+	
Medical	+	\$ 35.00
Transportation	+	\$ 73.00
Communications	+	\$ 75.00
Education	+	
Recreation & Leisure	+	\$ 50.00
Dependent Care	+	
Long-Term Insurance	+	\$ 35.00
Personal Items	+	\$ 25.00
Gifts	+	
Other Living Expenses	+	
Savings	+	\$ 50.00
Debt Payments	+	\$ 275.00
<b>TOTAL EXPENSES</b>	<b>=</b>	<b>\$ 1,057.00</b>
	<b>Remaining \$</b>	<b>\$ 5.50</b>

# HOMETODAY - Tracking Your Spending

Tracking Your Spending: Week 1-4 Monthly Summary

	Net Income	\$ 1,062.50	\$ 1,062.50	\$1,062.50	\$ 1,062.50	\$ 4,250.00
SUMMARY SPENDING CHART		Week 1	Week 2	Week 3	Week 4	Total
Food	+	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 1,000.00
Clothing	+	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 200.00
Housing Expenses	+	\$ 139.00	\$ 285.00	\$ 98.00	\$ 75.00	\$ 597.00
Rent	+					\$ -
Medical	+	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 140.00
Transportation	+	\$ 73.00	\$ 73.00	\$ 73.00	\$ 73.00	\$ 292.00
Communications	+	\$ 75.00	\$ 75.00	\$ 115.00	\$ -	\$ 265.00
Education	+					\$ -
Recreation & Leisure	+	\$ 50.00	\$ 125.00	\$ 80.00	\$ 95.00	\$ 350.00
Dependent Care	+					\$ -
Long-Term Insurance	+	\$ 35.00	\$ 35.00			\$ 70.00
Personal Items	+	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 100.00
Gifts	+					\$ -
Other Living Expenses	+					\$ -
Savings	+	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 200.00
Debt Payments	+	\$ 275.00	\$ 85.00	\$ 285.00	\$ 375.00	\$ 1,020.00
<b>TOTAL EXPENSES</b>	<b>=</b>	<b>\$ 1,057.00</b>	<b>\$ 1,088.00</b>	<b>\$1,061.00</b>	<b>\$ 1,028.00</b>	<b>\$ 4,234.00</b>
Remaining \$		\$ 5.50	(25.50)	\$ 1.50	\$ 34.50	\$ 16.00

# HOMETODAY - Tracking Your Spending

Tracking Your Spending:		Week 1
	Net Income	\$ -
<b>SUMMARY SPENDING CHART</b>		<b>Week 1</b>
Food	+	\$ -
Clothing	+	\$ -
Housing Expenses	+	\$ -
Rent	+	\$ -
Medical	+	\$ -
Transportation	+	\$ -
Communications	+	\$ -
Education	+	\$ -
Recreation & Leisure	+	\$ -
Dependent Care	+	\$ -
Long-Term Insurance	+	\$ -
Personal Items	+	\$ -
Gifts	+	\$ -
Other Living Expenses	+	\$ -
Savings	+	\$ -
Debt Payments	+	\$ -
<b>TOTAL EXPENSES</b>	=	\$ -
	Remaining \$	\$ -

## Questions:

1. What did you learn from tracking your spending this week?
2. In what ways do you think you are spending your money wisely right now?
3. What three things do you want to do differently regarding your spending?
4. What behaviors/attitudes did you notice during the week?

# HOMETODAY - Tracking Your Spending

Tracking Your Spending:		Week 2
	Net Income	\$ -
<b>SUMMARY SPENDING CHART</b>		<b>Week 2</b>
Food	+	\$ -
Clothing	+	\$ -
Housing Expenses	+	\$ -
Rent	+	\$ -
Medical	+	\$ -
Transportation	+	\$ -
Communications	+	\$ -
Education	+	\$ -
Recreation & Leisure	+	\$ -
Dependent Care	+	\$ -
Long-Term Insurance	+	\$ -
Personal Items	+	\$ -
Gifts	+	\$ -
Other Living Expenses	+	\$ -
Savings	+	\$ -
Debt Payments	+	\$ -
<b>TOTAL EXPENSES</b>	=	\$ -
	Remaining \$	\$ -

## Questions:

1. What did you learn from tracking your spending this week?
2. In what ways do you think you are spending your money wisely right now?
3. What three things do you want to do differently regarding your spending?
4. What behaviors/attitudes did you notice during the week?

# HOMETODAY - Tracking Your Spending

Tracking Your Spending:	Week 3
-------------------------	--------

	Net Income	\$ -
<b>SUMMARY SPENDING CHART</b>		<b>Week 3</b>
Food	+	\$ -
Clothing	+	\$ -
Housing Expenses	+	\$ -
Rent	+	\$ -
Medical	+	\$ -
Transportation	+	\$ -
Communications	+	\$ -
Education	+	\$ -
Recreation & Leisure	+	\$ -
Dependent Care	+	\$ -
Long-Term Insurance	+	\$ -
Personal Items	+	\$ -
Gifts	+	\$ -
Other Living Expenses	+	\$ -
Savings	+	\$ -
Debt Payments	+	\$ -
<b>TOTAL EXPENSES</b>	<b>=</b>	<b>\$ -</b>
	<b>Remaining \$</b>	<b>\$ -</b>

**Questions:**

1. What did you learn from tracking your spending this week?
  
2. In what ways do you think you are spending your money wisely right now?
  
3. What three things do you want to do differently regarding your spending?
  
4. What behaviors/attitudes did you notice during the week?

# HOMETODAY - Tracking Your Spending

Tracking Your Spending:		Week 4
	Net Income	\$ -
<b>SUMMARY SPENDING CHART</b>		<b>Week 4</b>
Food	+	\$ -
Clothing	+	\$ -
Housing Expenses	+	\$ -
Rent	+	\$ -
Medical	+	\$ -
Transportation	+	\$ -
Communications	+	\$ -
Education	+	\$ -
Recreation & Leisure	+	\$ -
Dependent Care	+	\$ -
Long-Term Insurance	+	\$ -
Personal Items	+	\$ -
Gifts	+	\$ -
Other Living Expenses	+	\$ -
Savings	+	\$ -
Debt Payments	+	\$ -
<b>TOTAL EXPENSES</b>	=	\$ -
	Remaining \$	\$ -

## Questions:

1. What did you learn from tracking your spending this week?
2. In what ways do you think you are spending your money wisely right now?
3. What three things do you want to do differently regarding your spending?
4. What behaviors/attitudes did you notice during the week?



# HOMETODAY - Tracking Your Spending

Tracking Your Spending: Week 1-4

	Net Income	\$ -	\$ -	\$ -	\$ -	\$ -
SUMMARY SPENDING CHART		Week 1	Week 2	Week 3	Week 4	Monthly Total
Food	+	\$ -	\$ -	\$ -	\$ -	\$ -
Clothing	+	\$ -	\$ -	\$ -	\$ -	\$ -
Housing Expenses	+	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	+	\$ -	\$ -	\$ -	\$ -	\$ -
Medical	+	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	+	\$ -	\$ -	\$ -	\$ -	\$ -
Communications	+	\$ -	\$ -	\$ -	\$ -	\$ -
Education	+	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation & Leisure	+	\$ -	\$ -	\$ -	\$ -	\$ -
Dependent Care	+	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Insurance	+	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Items	+	\$ -	\$ -	\$ -	\$ -	\$ -
Gifts	+	\$ -	\$ -	\$ -	\$ -	\$ -
Other Living Expenses	+	\$ -	\$ -	\$ -	\$ -	\$ -
Savings	+	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Payments	+	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	=	\$ -	\$ -	\$ -	\$ -	\$ -
Remaining \$		\$ -	\$ -	\$ -	\$ -	\$ -

# HOMETODAY - Other Ways to Track Your Spending

## CREATING SHOPPING LIST

Using a Shopping List will help you get organized with what items you need and use during a specific time line.

There are many ways to create a shopping list, but the purpose for a shopping list is to track what you are spending for household items. Shopping list can help you know what you have at home, know what you need to buy, and help you determine how long it will be when you have to purchase the item again.

<b>The Ultimate Grocery List!</b>		
<b>◆ FOODSTUFFS ◆</b>		
<b>Fresh vegetables</b>	<b>Condiments / Sauces</b>	<b>Dairy</b>
<input type="checkbox"/> Asparagus	<input type="checkbox"/> BBQ sauce	<input type="checkbox"/> Butter / Margarine
<input type="checkbox"/> Broccoli	<input type="checkbox"/> Gravy	<input type="checkbox"/> Cottage cheese
<input type="checkbox"/> Carrots	<input type="checkbox"/> Honey	<input type="checkbox"/> Half & half
<input type="checkbox"/> Cauliflower	<input type="checkbox"/> Hot sauce	<input type="checkbox"/> Milk
<input type="checkbox"/> Celery	<input type="checkbox"/> Jam / Jelly / Preserves	<input type="checkbox"/> Sour cream
<input type="checkbox"/> Corn	<input type="checkbox"/> Ketchup / Mustard	<input type="checkbox"/> Whipped cream
<input type="checkbox"/> Cucumbers	<input type="checkbox"/> Mayonnaise	<input type="checkbox"/> Yogurt
<input type="checkbox"/> Lettuce / Greens	<input type="checkbox"/> Pasta sauce	<input type="checkbox"/> _____
<input type="checkbox"/> Mushrooms	<input type="checkbox"/> Relish	<input type="checkbox"/> _____
<input type="checkbox"/> Onions	<input type="checkbox"/> Salad dressing	
<input type="checkbox"/> Peppers	<input type="checkbox"/> Salsa	<b>Cheese</b>
<input type="checkbox"/> Potatoes	<input type="checkbox"/> Soy sauce	<input type="checkbox"/> Bleu cheese
<input type="checkbox"/> Spinach	<input type="checkbox"/> Steak sauce	<input type="checkbox"/> Cheddar
<input type="checkbox"/> Squash	<input type="checkbox"/> Syrup	<input type="checkbox"/> Cottage cheese
<input type="checkbox"/> Zucchini	<input type="checkbox"/> Worcestershire sauce	<input type="checkbox"/> Cream cheese
<input type="checkbox"/> Tomatoes*	<input type="checkbox"/> _____	<input type="checkbox"/> Feta
<input type="checkbox"/> _____		<input type="checkbox"/> Goat cheese
<input type="checkbox"/> _____	<b>Various groceries</b>	<input type="checkbox"/> Mozzarella / Provolone
	<input type="checkbox"/> Bouillon cubes	<input type="checkbox"/> Parmesan
	<input type="checkbox"/> Cereal	<input type="checkbox"/> Provolone
	<input type="checkbox"/> Coffee / Filters	<input type="checkbox"/> Ricotta
	<input type="checkbox"/> Instant potatoes	<input type="checkbox"/> Sandwich slices
	<input type="checkbox"/> Lemon / Lime juice	<input type="checkbox"/> Swiss
	<input type="checkbox"/> Mac & cheese	<input type="checkbox"/> _____
	<input type="checkbox"/> Olive oil	<input type="checkbox"/> _____
	<input type="checkbox"/> Pancake / Waffle mix	
	<input type="checkbox"/> Pasta	<b>Meat</b>
	<input type="checkbox"/> Peanut butter	<input type="checkbox"/> Bacon / Sausage
		<input type="checkbox"/> Beef

# HOMETODAY - Other Ways to Track Your Spending

## CREATING SHOPPING LIST FOR WHEN YOU NEED TO REPLACE/REPAIR ITEMS

Home repairs and replacement cost for large items can be very expensive and need a repair/replacement plan to be financially ready to manage large purchases.

### Major Home Appliance Life Expectancy Chart

Life Expectancy (Years)	Low	High	Average
<u>Trash Compactors</u>	7	12	11
<u>Dryers, Electric</u>	11	18	14
Dryers, Gas	11	16	13
<u>Dishwashers</u>	9	16	12
<u>Garbage Disposals</u>	10	15	13
<u>Freezers</u>	12	20	16
<u>Microwaves</u>	5	10	8
<u>Ranges, Electric</u>	13	20	16
Ranges, Gas	15	23	19
Ranges, Hoods	9	19	14
<u>Refrigerators, Compact</u>	4	12	8
Refrigerators, Standard	10	18	14
<u>Washing Machines</u>	8	16	12

# HOMETODAY - Creating Your Spending Categories



## IDENTIFYING MY EXPENSE CATEGORIES

Mustard Seed  
Development Center

Order of Importance Categories			New Order of Importance		
<input type="text"/>	1	HOUSING	1	<input type="text"/>	
<input type="text"/>	2	FOOD	2	<input type="text"/>	
<input type="text"/>	3	TRANSPORTATION	3	<input type="text"/>	
<input type="text"/>	4	DEBT PAYMENT	4	<input type="text"/>	
<input type="text"/>	5	MEDICAL	5	<input type="text"/>	
<input type="text"/>	6	EDUCATION	6	<input type="text"/>	
<input type="text"/>	7	INSURANCE/LONG TERM INSURANCE	7	<input type="text"/>	
<input type="text"/>	8	COMMUNICATION	8	<input type="text"/>	
<input type="text"/>	9	DEPENDENT CARE	9	<input type="text"/>	
<input type="text"/>	10	CLOTHING	10	<input type="text"/>	
<input type="text"/>	11	PERSONAL EXPENSES	11	<input type="text"/>	
<input type="text"/>	12	RECREATION/LEISURE	12	<input type="text"/>	
<input type="text"/>	13	OTHER LIVING EXPENSES	13	<input type="text"/>	
<input type="text"/>	14	GIFTS	14	<input type="text"/>	
<input type="text"/>	15	RENTAL PAYMENTS	15	<input type="text"/>	
<input type="text"/>	16	Other	16	<input type="text"/>	

# HOMETODAY - Document Check List



## DOCUMENT CHECK LIST FOR ASSESSMENT AND LOAN APPLICATION

Assessment    Loan App

- |                          |                          |                          |   |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1                        | Most recent month of 30 days of income documents (pay stubs, 1099, award letters, etc)                    |
| <input type="checkbox"/> | <input type="checkbox"/> | 2                        | Copy of Drivers Licenses  |
| <input type="checkbox"/> | <input type="checkbox"/> | 3                        | 3-Months of Bank Statements. (Provide all pages) (For Housing Counseling Mark Out Account # on each page) |
| <input type="checkbox"/> | <input type="checkbox"/> | 4                        | Agency/Lender OR Enrollment/Application Documents   |
|                          | <input type="checkbox"/> | <input type="checkbox"/> | Enrollment/Application Documents  |
|                          | <input type="checkbox"/> | <input type="checkbox"/> | Credit/Authorization Form   |
|                          | <input type="checkbox"/> | <input type="checkbox"/> | Budget Form and/or List of credit accounts  |
| <input type="checkbox"/> | <input type="checkbox"/> | 5                        | Copy of "HomeToday Tracking Your Spending Worksheets"   |
| <input type="checkbox"/> | <input type="checkbox"/> | 6                        | Three years of Tax Returns (For Self-Employed Applications)   |
| <input type="checkbox"/> | <input type="checkbox"/> | 7                        | Legal Documents to Include:   |
|                          | <input type="checkbox"/> | <input type="checkbox"/> | Divorce Documents (Can keep somethings private)   |
|                          | <input type="checkbox"/> | <input type="checkbox"/> | Bankruptcy Documents (Chap 7 bring Discharge Letter and Chap 13 Dismissed Letter)                         |

Note: This list was created by MSDC. Lenders and Other Counseling Agencies may require additional documents.

# HOME *TODAY* - Top 10 Money Management Pitfalls

Check those boxes that apply to your current situations:

- 1. No written spending plan
- 2. No cash reserves
- 3. Too much use of credit
- 4. Non-constructive use of windfalls
- 5. No provision for large expenses
- 6. Underestimating the cost of ownership
- 7. Careless shopping habits /Spending leaks
- 8. Not checking on what you have, then spend money on things you don't need
- 9. Not saving small amounts
- 10. **Can't wait. Got to have it NOW!**

## What is a spending plan?

- It is a method that will help you plan how to spend your money
- Also, a method that can be used to track how you spent your money

## Why is a spending plan important?

- ▶ Let's you control your money
- ▶ Measures if you're living within your means
- ▶ Helps you meet your financial goals
- ▶ Helps your entire family focus on a common goal
- ▶ Helps you prepare for emergencies
- ▶ Prevents or reduces impulse spending
- ▶ Helps reduce stress

# HOME *TODAY* - Type of Household Expenses

## What are "Fixed Expenses"?

Most Fixed Expenses are standard expense that happen every month.

Here are other ways to identify Fixed Expenses.

- Expenses we need to pay for household cost each month/year.

What are some examples of fixed expenses in your life?

## What are "Variable Expenses"?

Many Variable Expenses represent those daily spending decisions you can make outside of a spending plan. Variable cost is usually the first expense that people try to cut when they need to save money.

- Expenses that fulfill a desire or want.

What are some examples of variable expenses in your life?

## What are "Occasional Expenses"?

Occasional Expense can be a Fixed Expense and/or a Variable Expense:

- An expense that comes up during the year that can be an unexpected cost, an event expense or activity not planned
- An expense that can be a tradition or celebration within the year

What are some examples of occasional expenses in your life?



# **HOMETODAY - Understanding Needs and Wants**

## **Needs vs. Wants**

**A Need** is something you or your family must have in order to live a safe and healthy life.

**A Want** is something that you or your family enjoys.

How much of your spending went towards your needs?

How much of your spending went towards your wants?

**NEEDS**

---

---

---

---

---

---

---

---

**WANTS**

---

---

---

---

---

---

---

---

# HOME TODAY - Creating a Spending Plan

## 1. Gather things you will need to write out your plan.

Step 1: Gather all your household expense statements

Step 2: Gather all tools (pens, stamps, computer, ledgers, calculator, etc.)

Step 3: List the monthly payment and account balances on budget sheet under Categories you

## Spending Plans Include:

1. Income Details
2. Expense Line item details/under categories
3. Interest Rates
4. Due Dates
5. Balances
6. Past Due Amounts
7. Monthly Amount Required
8. Monthly Amount Paid Out
9. Adjusted Amount to Pay Out
10. Amount that can pay off Outstanding Debts
11. Savings Total Amount
12. Total Expenses
13. Amounts Remaining after subtracting Expenses

MSDC SPENDING PLAN EVALUATION WORKSHEET										Date: 3/15/2022			
Form ID # (BEV/WKST 8001)													
Participants Name(s): Jerry Smith										No. In HH: 3		No. of Dep: 2	
Co-Participants Name:													
Income Details:		Deductions:		Gross		Net		Total		Revised			
Participant	Income Source	Parti Gross	Parti Net	Co Source	Co Gross	Co Net	Net	Total Gross	Total Net	Payment Plan	W/No Having Payment		
Base:		\$ 2,550	\$ 1,667				\$ 30,600	Total Gross Mthly Income Avg \$ 2,550	Total Net Mthly Income \$ 1,667	1,667.00	1,667.00		
2nd:										-	-		
3rd:							\$ 20,004			-	-		
<b>Total</b>		<b>\$ 2,550</b>	<b>\$ 1,667</b>				<b>Total</b>	<b>\$ 2,550</b>	<b>\$ 1,667</b>	<b>1,667.00</b>	<b>1,667.00</b>		
Account Name	Type	Interest Rate	Due Date	Balance	Amount Part Due	Immediate Payments	Monthly Payment	New Payment	New Having Payment				
Donations	Tithe/Offert		Each Pay				255.00	255.00	255.00		255.00		
Rent/Mortgage	*		1				350.00	350.00	350.00		350.00		
Rental/Mort Ins	*		14				8.00	8.00	8.00		8.00		
Property Tax	:						0.00	0.00	0.00		0.00		
Lawn Care	*		Yearly	\$ 156			13.00	13.00	13.00		13.00		
Maintenance/Repairs	*		Yearly	\$ 180			15.00	15.00	15.00		15.00		
Telephone	:		18				35.00	35.00	35.00		35.00		
Electric	:		21				45.00	45.00	45.00		45.00		
Gas	:		15				120.00	120.00	120.00		120.00		
Water	:		8				35.00	35.00	35.00		35.00		
Cable	:		12				35.00	35.00	35.00		35.00		
Misc Utilities	*						0.00	0.00	0.00		0.00		
Groceries	Groce						250.00	250.00	250.00		250.00		
Child Care	Child						0.00	0.00	0.00		0.00		
Medical/Doc/Prescrip	Med						0.00	0.00	0.00		0.00		
Ins (Life, Med, etc.)	Ins						0.00	0.00	0.00		0.00		
Auto Gas/Transportat							40.00	40.00	40.00		40.00		
Auto Ins	A		11				70.00	70.00	70.00		70.00		
Auto Repair	*						0.00	0.00	0.00		0.00		
Auto Maintenance	:						25.00	25.00	25.00		25.00		
Auto Payment	*		10%	28	\$ 1,200		250.00	250.00	250.00		250.00		
Auto Payment							0.00	0.00	0.00		0.00		
Loan 1							0.00	0.00	0.00		0.00		
Loan 2							0.00	0.00	0.00		0.00		
Loan 3							0.00	0.00	0.00		0.00		
Loan 4							0.00	0.00	0.00		0.00		
Loan 5							0.00	0.00	0.00		0.00		
CC1 FirstCard	C	23.99%	13	\$ 1,063			20.00	20.00	20.00		20.00		
CC2	C						0.00	0.00	0.00		0.00		
CC3							0.00	0.00	0.00		0.00		
CC4	D						0.00	0.00	0.00		0.00		
CC5	K						0.00	0.00	0.00		0.00		
CC6	I						0.00	0.00	0.00		0.00		
CC7							0.00	0.00	0.00		0.00		
Misc Spending	Misc						0.00	0.00	0.00		0.00		
Cell/Pager	Misc						0.00	0.00	0.00		0.00		
Recreation	Rea						25.00	25.00	25.00		25.00		
Vacation	Vac						0.00	0.00	0.00		0.00		
Gifts	Gifts						0.00	0.00	0.00		0.00		
Hair/Nails/Personals	Personals						25.00	25.00	25.00		25.00		
Clothing	Clothing						25.00	25.00	25.00		25.00		
Repayment Plan							0.00	0.00	0.00		0.00		
Savings Plan							0.00	0.00	0.00		0.00		
<b>Total Expenses</b>							<b>\$ 2,559</b>	<b>\$ -</b>	<b>\$ 1,641</b>	<b>1,641</b>	<b>\$ 1,641</b>		
<b>Remaining Income</b>								<b>\$ 26</b>	<b>\$ 26</b>	<b>\$ 26</b>	<b>\$ 26</b>		

# HOME TODAY - Creating an Annual Summary Plan

## Spending Plans Should Have

1. Expense name
2. Expense due date
3. Required monthly payment
4. Actual monthly payment
5. Total amount paid each Month
6. Total paid for the year

## Spending Plans Add On

1. Account balances
2. Partial account number
3. Creditor phone number
4. Who the accounts belong to
5. Expenses under week being paid
6. Color coded

## MONTHLY HOUSEHOLD ANTICIPATED EXPENSES

Monthly Gross Income 3300  
 Monthly Net Salary: 2650

Monthly Income		2650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 2,650	\$ 31,800
#	Expense	Due Date	Actual Monthly Payment	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total		
1st	Tithes and offerings		\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500
1st	Telephone	18	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 420
1st	Electric	21	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 45	\$ 540
1st	Gas	15	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 1,440
1st	Renters Ins	14	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 8	\$ 96
1st	Groceries		\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
1st	Auto Gas		\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 360
1st	Maintenance		\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 180
1st	Auto Maintenance		\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 300
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2nd	Tithe		\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500
2nd	Auto Payment	28	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000
2nd	Groceries		\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
2nd	Auto Gas		\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 360
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3rd	Tithes		\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500
3rd	Rent	1	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
3rd	Groceries		\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
3rd	Auto Gas		\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 360
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4th	Tithes		\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 125	\$ 1,500
4th	Water	8	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 420
4th	Cable	12	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 420
4th	Auto Ins	11	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 70	\$ 840
4th	Credit Card Pmnt	13	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 240
4th	Hair/Personal		\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 300
4th	Recreation		\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 300
4th	Groceries		\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
4th	Auto Gas		\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 360
4th	Lawn Care		\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 156
4th	Clothes		\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 300
4th	Savings		\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 1,800
																		\$ -
																		\$ -
Monthly Totals			\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 2,466	\$ 29,592.00

Possible Savings Amount	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 184	\$ 2,392
-------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	----------

# **HOMETODAY** - "Emergency Expenses in a Spending Plan"

The Department of Housing and Urban Development, HUD, recommends creating an Emergency Preparedness Guide to successfully manage Household, Business and Personal Emergencies and Public Disasters.

## **HUD EMERGENCY PREPAREDNESS GUIDE:**

<https://files.hudexchange.info/resources/documents/Emergency-Preparedness-Guide-for-Housing-Counseling-Agencies.pdf>

## **HOUSING COUNSELING DISASTER PLANNING, RESPONSE TOOLKIT:**

<https://www.hudexchange.info/programs/housing-counseling/housing-counseling-disaster-recovery-toolkit/preparing/>

## **BUILDING AN EMERGENCY CHECKLIST FOR PARENTS:**

[https://www.ready.gov/sites/default/files/2019-06/emergency\\_checklist\\_parents.pdf](https://www.ready.gov/sites/default/files/2019-06/emergency_checklist_parents.pdf)

Go to HUD.gov to find these documents.

# **HOMETODAY** - Money Choices & Money Tips

## **MONEY CHOICES**

In what ways are you managing your money well?

What or who helps you to manage your money well?

In what way are you struggling in managing your money?

What are your biggest challenges in managing your money?

What would you like to spend more money on?

What would you like to spend less money on?

## **TIPS FOR CREATING A SPENDING PLAN**

- Know how much you have to spend every month (Income)
- Know how you spend your money (track your spending)
- Set Spending and savings goals; with an eye to your long-term future
- Identify big expenses as far in advance as possible so you have time to prepare for them
- Pay yourself first (put money into your savings first, every month)
- Keep your financial records organized
- Be honest with yourself and your money
- Look for spending "leaks" – places where your money seems to "Evaporate"
- Use the tables and exercise in this book to write out your spending plan and refer to it often, update as needed.

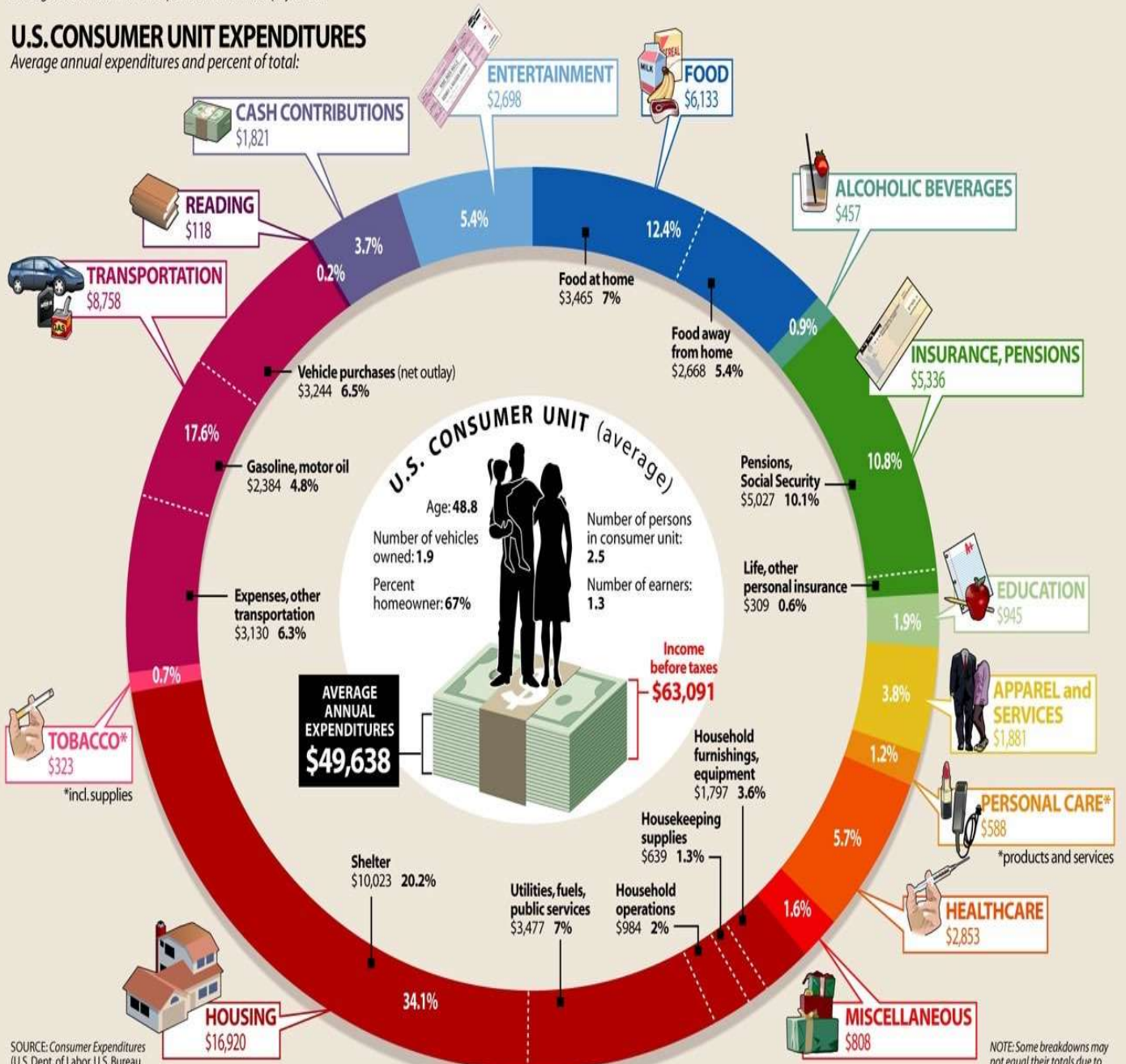
# HOMETODAY - Identifying Where the Money Goes

## Where Does the Money Go?

The Department of Labor's latest survey provides a detailed look into how the average U.S. consumer unit spends their annual paycheck.

### U.S. CONSUMER UNIT EXPENDITURES

Average annual expenditures and percent of total:



SOURCE: Consumer Expenditures (U.S. Dept. of Labor, U.S. Bureau of Labor Statistics, April 2009)

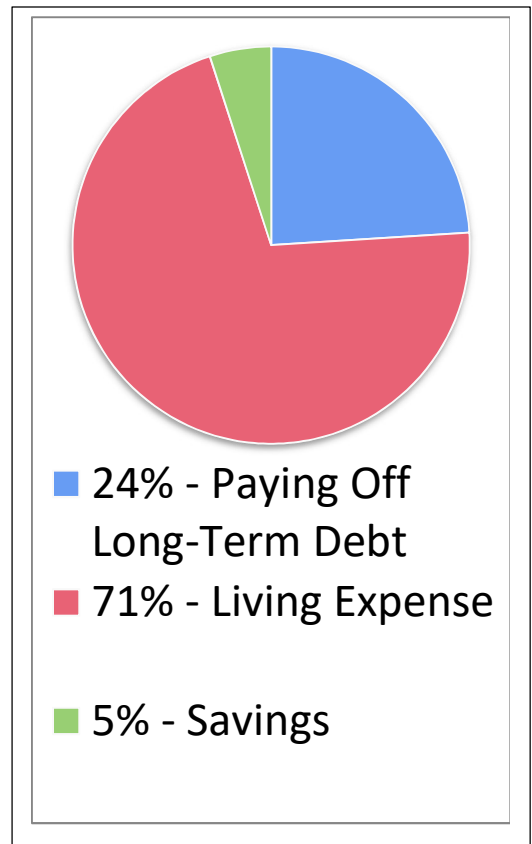
# HOMETODAY - Identifying Where the Money Goes

Monthly Net Income: **\$4,250.00**

Paying Off Long-Term Debt		
Auto Payment	\$ 850.00	
Credit Cards	\$ 110.00	
Student Loans	\$ 60.00	
Child Support	\$ -	
Other Court Orders	\$ -	
<b>Total Long-Term Debt</b>	<b>\$1,020.00</b>	<b>24%</b>
Living Expenses		
Food	\$1,000.00	
Clothing	\$ 200.00	
Housing	\$ 597.00	
Rent	\$ -	
Medical	\$ 140.00	
Transportation	\$ 292.00	
Communication	\$ 265.00	
Education	\$ -	
Recreation & Leisure	\$ 350.00	
Dependent Care	\$ -	
Long Term Care	\$ 70.00	
Personal Items	\$ 100.00	
Gifts	\$ -	
Other Expenses	\$ -	
<b>Total Living Expenses</b>	<b>\$3,014.00</b>	<b>71%</b>
Savings		
Unexpected Expense	\$ 100.00	
Purchase a home	\$ 100.00	
<b>Total Savings</b>	<b>\$ 200.00</b>	<b>5%</b>
<b>Total Expenses</b>	<b>\$4,234.00</b>	<b>100%</b>

Total Net Income	\$4,250.00
Total HH and Savings Expense	\$4,234.00
Surplus/Deficiency Remaining	\$ 16.00



# HOMETODAY - Identifying Where the Money Goes

Monthly Net Income: **\$4,250.00**

Paying Off Long-Term Debt		
Auto Payment	\$ 850.00	
Credit Cards	\$ 110.00	
Student Loans	\$ 60.00	
Child Support	\$ -	
Other Court Orders	\$ -	
<b>Total Long-Term Debt</b>	<b>\$1,020.00</b>	<b>24%</b>
Living Expenses		
Food	\$1,000.00	
Clothing	\$ 200.00	
Housing	\$ 597.00	
Rent	\$ -	
Medical	\$ 140.00	
Transportation	\$ 292.00	
Communication	\$ 265.00	
Education	\$ -	
Recreation & Leisure	\$ 350.00	
Dependent Care	\$ -	
Long Term Care	\$ 70.00	
Personal Items	\$ 100.00	
Gifts	\$ -	
Other Expenses	\$ -	
<b>Total Living Expenses</b>	<b>\$3,014.00</b>	<b>71%</b>
Savings		
Unexpected Expense	\$ 100.00	
Purchase a home	\$ 100.00	
<b>Total Savings</b>	<b>\$ 200.00</b>	<b>5%</b>
<b>Total Expenses</b>	<b>\$4,234.00</b>	<b>100%</b>

Total Net Income **\$4,250.00**

Total HH and Savings Expense **\$4,234.00**

Surplus/Deficiency Remaining **\$ 16.00**

$$\$1020.00 \div 4,250 = 24\% \text{ Long Term Debt}$$

$$\$3,014 \div 4,250 = 71\% \text{ Living Expenses}$$

$$\$200 \div 4,250 = 5\% \text{ Savings}$$



# HOMETODAY - Identifying Where the Money Goes

Monthly Net Income:

3365

MONTHLY PIE CHART

<b>Paying Off Long-Term Debt</b>		
Auto Payment	380	
Credit Cards	250	
Student Loans	75	
Child Support	0	
Other Court Orders	0	
<b>Total Long-Term Debt</b>	<b>705</b>	
<b>Living Expenses</b>		
Food	400	
Housing	225	
Clothing	25	
Medical	50	
Rent	975	
Transportation	130	
Communication	50	
Education	0	
Recreation & Leisure	50	
Dependent Care	0	
Personal Items	25	
Gifts	25	
Other Expenses	30	
<b>Total Living Expenses</b>	<b>1985</b>	
<b>Savings</b>		
Unepcted Expenses	150	
Purchase a home	525	
<b>Total Savings</b>	<b>675</b>	
<b>Total Expenses</b>	<b>3365</b>	<b>100%</b>

Paying Off Long Term Debt \_\_\_\_\_ %

Total Living Expenses \_\_\_\_\_ %

Total Savings \_\_\_\_\_ %

# HOMETODAY - Identifying Where the Money Goes

Monthly Net Income:

Paying Off Long-Term Debt	Budget Amt	%
Auto Payment		
Rent/Mortgage		
Credit Cards		
Student Loans		
Other Debt		
<b>Total Long-Term Debt</b>		
<b>Living Expenses</b>		
Food		
Housing		
Clothing		
Medical		
Transportation		
Communication		
Recreation & Leisure		
Dependent Care		
Personal Items		
Gifts		
Other Expenses		
<b>Total Living Expenses</b>		
<b>Savings</b>		
Unexpected Expenses		
Purchase a home		
<b>Total Savings</b>		
Savings 1		
Savings 2		
Total Expenses		

Paying Off Long Term Debt	_____ %
Total Living Expenses	_____ %
Total Savings	_____ %

# HOMETODAY - "How Much House Can I Afford"

Lenders calculate what they will allow a homebuyer to have as a monthly mortgage payment by using a Debt-to-Income ratio. Using the percentage of your monthly gross income compared to the total amount of the monthly debt the homebuyers pays out.

There are two ratios used to calculate the Housing Payments:

1. Total Debt Ratio - **Back End Ratio**

The calculation used to determine the Total Allowable Debt. This includes the new Estimated Mortgage Payment plus:

- A. Credit Card Debt,
- B. Personal/Secure Loan Debt
- C. Child Support/Alimony Payments
- D. Student Loans Payments
- E. Plus, New House Payment (Principal/Interest, Property Taxes, Insurances, Association Fees)

2. Housing Ratio - **Front End Ratio**

The calculation used to determine the maximum amount allowed for the monthly house payment.

TOTAL GROSS & NET INCOME (A) **\$ 5,000.00** (B) **\$ 4,250.00**

**Total Debt Ratio of Monthly Gross Income**      **0.36 X (A)**      =      **\$ 1,800.00**

**Total Housing Ratio of Monthly Gross Income**      **0.28 X (A)**      =      **\$ 1,400.00**

---

**Total Debt Ratio:**      =      **\$ 1,800.00**

**Subtract Total Debt Payments from Total Debt Ratio:**      =      **\$ 1,020.00**

---

**New Housing Payment:**      **\$ 780.00**

# HOMETODAY - "How Much House Can I Afford"

## INCOME REVIEW WORKSHEET

Monthly Income	Monthly Gross	Monthly Net
Earnings	\$ 5,000.00	\$ 4,250.00
SSI/Pension/Retirement/Benefits		
Self Employed Income		
Other:		
Other:		
<b>Bonuses</b>	\$ 500.00	\$ 425.00
Tips		
Alimony		
Child Support		
Rental/Self-Employed Income		
Family Contributions		
Other:		
Other:		
<b>Annuities</b>		
Other:		
Other:		
<b>TOTAL GROSS &amp; NET INCOME</b>	\$ 5,500.00	\$ 4,675.00
<b>Total Gross Yearly &amp; Net Income</b>	\$ 66,000.00	\$ 56,100.00
<b>TOTAL GROSS &amp; NET USED BY LENDING</b>	\$ 5,000.00	\$ 4,250.00
<b>Total Yearly Gross &amp; Net Used By Lender</b>	\$ 60,000.00	\$ 51,000.00

## Household Expense Review

Installment Debt	Monthly Payment
Auto Loan(s)	\$ 850.00
Credit Card(s)	\$ 110.00
Student Loan(s)	\$ 60.00
Child Support	
Other Loan Debt	
<b>SubTotal Debt Payment(s)</b>	\$ 1,020.00
<b>Other Household Expenses</b>	
Food	\$ 1,000.00
Clothing	\$ 200.00
Housing (Utilities)	\$ 597.00
Rent	
Medical	\$ 140.00
Transportation	\$ 292.00
Communication	\$ 265.00
Education	
Recreation & Leisure	\$ 350.00
Dependent Care	
Long Term Insurances	\$ 70.00
Personal Items	\$ 100.00
Gifts	
Other Living Expenses	
<b>Sub Total Housing Expenses</b>	\$ 3,014.00
<b>Savings Plans</b>	
Savings 1	\$ 200.00
<b>Sub Total Savings</b>	\$ 200.00
<b>Total Debt &amp; Housing</b>	\$ 4,234.00

Total Net Income \$ 4,250.00

(Minus) Total Debt & HE \$ 4,234.00

Surplus/Deficiency Remaining \$ 16.00

## Household Expense Review

Installment Debt	Monthly Payment
Auto Loan(s)	\$ 850.00
Credit Card(s)	\$ 110.00
Student Loan(s)	\$ 60.00
Child Support	
Other Loan Debt	
<b>SubTotal Debt Payment(s)</b>	\$ 1,020.00
<b>Other Household Expenses</b>	
Food	\$ 1,000.00
Clothing	\$ 200.00
Housing (Utilities)	\$ 597.00
Rent	
Medical	\$ 140.00
Transportation	\$ 292.00
Communication	\$ 265.00
Education	
Recreation & Leisure	\$ 350.00
Dependent Care	
Long Term Insurances	\$ 70.00
Personal Items	\$ 100.00
Gifts	
Other Living Expenses	
<b>Sub Total Housing Expenses</b>	\$ 3,014.00
<b>Savings Plans</b>	
Savings 1	\$ 200.00
<b>Sub Total Savings</b>	\$ 200.00
<b>Total Debt &amp; Housing</b>	\$ 4,234.00

Smith Family Total Gross Monthly Income		(A)	\$ 5,000.00
STEP 1	Debt Ratio of Gross Monthly Income	0.36	X (A) = \$ 1,800.00
	to calculate the max <b>Total Debt</b> Plus new Housing Payment allowed		
STEP 2	Total Housing Ratio of Gross Monthly Income	0.28	X (A) = \$ 1,400.00
	Income to calculate the max <b>Total Housing Payment</b>		
Total <b>Other Debt</b> allowed with Housing Payment			\$ 400.00
STEP 3	Current Household Debt		\$ 1,020.00
	Without Housing Payment Debt		
Total Debt allowed			\$ 1,800.00
Subtract <b>Current Household Debt</b> Payments			\$ 1,020.00
New Housing Payment allowed			\$ 780.00

# HOMETODAY - "How Much House Can I Afford"

TOTAL GROSS & NET INCOME

(A)

(B)

Total Debt Ratio of  
Monthly Gross Income

% X (A)

= \$  -

Total Housing Ratio of  
Monthly Gross Income

% X (A)

= \$  -

---

Total Debt Ratio:

= \$  -

Subtract Total Debt Payments from Total  
Debt Ratio:

= \$

---

New Housing Payment:

\$

# **HOMETODAY** - Credit and Credit Scores

Housing Counselors have supported homebuyers in using Credit Karma to monitor and gain options available to increase your credit scores.

Please keep in mind that this method of reviewing credit reports is not the same report reviewed by lenders, and you will need a tri-merge credit report to prepare for the loan process.

In order to get a better assessment, we recommend you contact a HUD Approved Agency and work with a HUD Certified Counselor to guide you through the process.

To apply for your credit report, go to:

[www.annualcreditreport.com](http://www.annualcreditreport.com)

1-877-322-8228

Or

[www.creditkarma.com](http://www.creditkarma.com)

Or

[Experian.com](http://Experian.com) (Boost)

# HOMETODAY - "WHY IS CREDIT IMPORTANT"



## Why Is Credit Important

### Why is credit Important to a Lender

Credit establishes a history of a borrower on how they repay their debt

### How can credit benefit a Borrower

- Allows us to make large purchases
- For convenience
- For employment
- To rent an apartment
- For insurance (Auto, Home etc.)

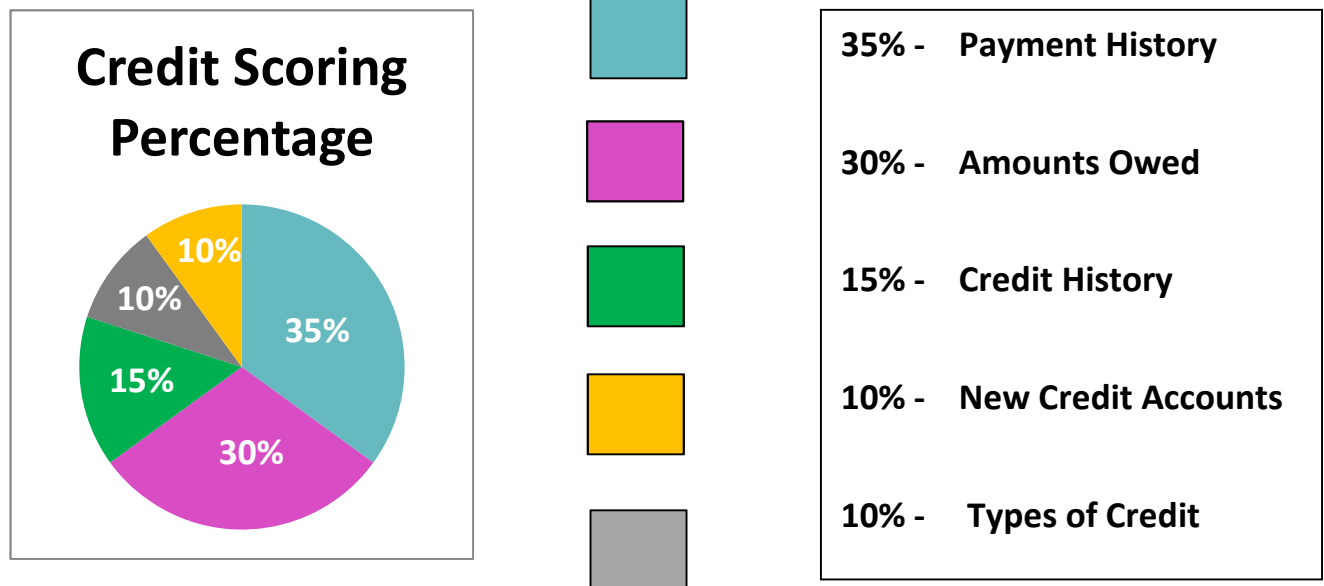
## WHAT IS A CREDIT SCORE?



### What Is a Credit Score?

- ▶ A credit score is a computer-generated number based on a formula, which indicates your ability and willingness to repay a debt based on the information in your credit report.
- ▶ Scores are not static; they change over time as your credit and credit behavior change over time.

# What Factors Influence Credit Scores

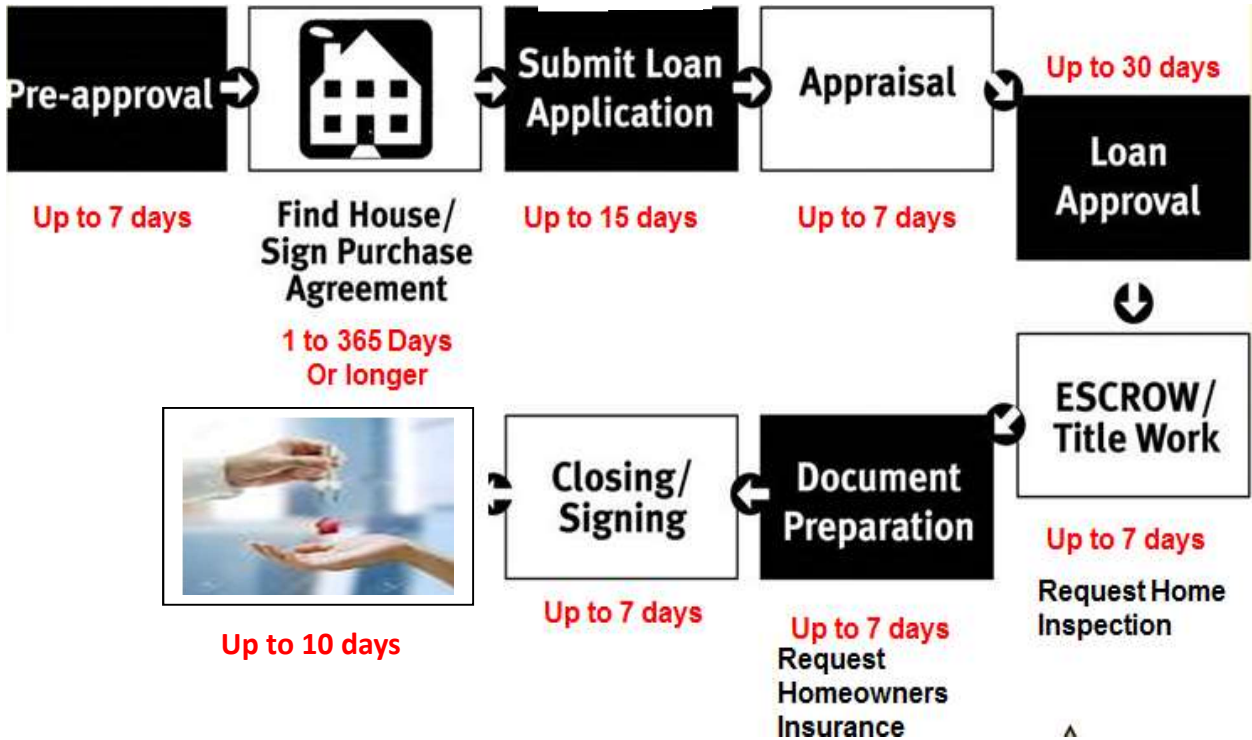


## WHAT THINGS MAY AFFECT MY CREDIT SCORES

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_



# HOMETODAY - Prepare for the Loan Process



## Documents to take to the Lender to get a Pre-Approval:

1. 60 days of income documents
2. Prior two months of Bank Statements
3. Copy of signed Tax Returns plus w-2 Forms for two-three years (All Pages)
4. Paid in full letters for collections and judgments paid

### Pre-Qualification

Is an informal way to determine how much you may be able to borrow? Without any obligation, this helps you arrive at an estimate of the amount you may have available to spend on a home.

### Pre-Approval

Is a lender's actual commitment to lend to you? It involves getting together your financial records and going through the first step of an approval process. Pre-approvals will let your seller know you are serious. Third Federal only provides Pre-Approval letters.

# HOMETODAY - Shopping for the Loan

Property Address			
Asking Price			
<b>Things to Compare</b>	<b>Lender 1</b>	<b>Lender 2</b>	<b>Lender 3</b>
Name of the Lender			
Loan Program Name			
Type of Loan (FHA, Conventional etc.			
Minimum Loan Amount			
Minimum Down Payment Required (BOF)			
Term			
Interest Rate			
Annual Percentage Rate (APR)			
Private Mortgage Insurance (PMI)			
Down Payment Assistance (DPA)			
Closing Cost Assistance (CCA)			
Bankruptcy Guidelines			
Student Loan Guidelines			
Can You Use Non-Traditional Trades			
Minimum Trades Open /Months History			
Collections Account Maximum Amount			

# HOMETODAY - Fair Housing

## Fair Housing – It's Your Right

The Fair Housing Act protects people from discrimination when they are renting, buying or securing financing for any housing. The prohibitions specifically cover discrimination because of race, color, national origin, religion, sex, disability and the presence of children.

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied building with no more than four units, single-family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

If you are shopping for a mortgage, **lenders must:**

- Consider reliable public assistance income the same way as other income.
- Consider reliable income from part-time employment, Social Security, pensions, and annuities.
- Consider reliable alimony, child support, or separate maintenance payments, if you choose to provide this information. A lender may ask for proof that you receive this income consistently.
- Accept someone other than your spouse as a co-signer if a co-signer is needed. If you own the property with your spouse, he or she may be asked to sign documents that permit you to mortgage the property.

In addition, **must not:**

- Discourage you from applying for a mortgage or reject your application because of your race, color, religion, national origin, sex, marital status, or age, or because you get public assistance.
- Consider your sex, race, or national origin, although you will be asked to disclose this information voluntarily to help federal agencies enforce anti-discrimination laws. However, a creditor may consider your immigration status and whether you have the right to remain in the country long enough to repay the debt.
- Impose different terms or conditions on a loan — like a higher interest rate or larger down payment — based on your sex, race, or other forbidden factors.
- Discourage you from buying because of the racial make-up of the neighborhood where you want to live or ask about your plans for having a family, although they can ask questions about expenses related to your dependents.
- Require a co-signer if you meet the lender's requirements.

Under the Fair Housing Act ("FHA") (Title VIII of the Civil Rights Act of 1968), it is "unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such a transaction, because of race, color, religion, sex, handicap, familial status, or national origin." 42 U.S.C. § 3605. Section 3605, although not specifically naming foreclosures, discrimination in "the manner in which a lending institution forecloses a delinquent or defaulted mortgage note" falls under the realm of the "terms or conditions of such loan." *Harper v. Union Savings Association*, 429 F.Supp. 1254, 1258-59 (N.D. Ohio 1977). The [Office of Fair Housing and Equal Opportunity](#) is charged with administering and enforcing the [Fair Housing Act](#). Any person who feels that they have faced lending discrimination can file a fair housing [complaint with:](#)

1. Fair Housing agency in your area
2. [www.HUD.Gov](http://www.HUD.Gov) under Fair Housing

# HOME *TODAY* SHOP FOR A REAL ESTATE PROFESSIONAL



A Real Estate Agent is a trained professional that understands the Real Estate Professional process and procedures. Selecting to work with a Real Estate Agent can be a very important partnership that can save you money and can avoid you from being taken advantage of.

It is very important that you select a Real Estate Agent that can meet most of your needs, can understand what you are looking for and will take the time to provide properties that will also be safe, decent and affordable.

There are basically three types of Real Estate Agents who charge 3% to 7% to sell a home:

- A **Buyer's Agent** works for the Buyer
- A **Seller's Agent** works for the seller
- A **Dual Agent** works for both the Seller and the Buyer

Make sure your agent is negotiating and working only for you.

Once you sign a contract with the agent, you are required to work only with this agent. This is called an **exclusivity agreement**.

**QUESTIONS TO ASK THE REAL ESTATE PROFESSIONAL YOU SELECTED:**

- How long have they been a Real Estate Agent? (This does not include the time they have worked in other positions in Real Estate)
- Do they work as a Real Estate Agent full time or part-time?
- What locations do they mostly cover? (E/N/S/W, Cuyahoga, Stow, Fairlawn etc.)
- What method do they use to provide you with Listing/Showings?
- How will they be communicating with you?
- What is their working schedule?
- How do they prefer to work with you and a Sale by Owners?
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**BEST KEPT SECRET:**



**HOME INSPECTORS ARE HIRED BY YOU TO  
INSPECT THE HOME  
YOU ARE ABOUT TO PURCHASE**

- Hire your own inspector or engineer to conduct an inspection of the house even if the city in which you are buying requires a code inspection.
- Inspectors and structural engineers are professionals who are certified to do the work required.
- **ALWAYS** stipulate in your purchase agreement that the sale of the house is contingent upon a satisfactory home inspection.

# HOMETODAY - Prepare for the Loan Process

Before you sign a purchase agreement write down what you think should be repaired and contact professionals to discuss potential cost. Then after you have signed a purchase agreement for the home you selected, contact a loan officer to submit an application to begin the Loan Process.

**BEYOND THE INSPECTOR:  
7 PROS WHO MAY NEED TO CHECK OUT YOUR FUTURE HOME (AND WHY)**

- 1. STRUCTURAL ENGINEER**  
**DOOR WON'T CLOSE? CRACKED WALL?**  
 Either could mean foundation trouble, a potential dealbreaker.
- 2. PEST INSPECTOR**  
**SOFT WOOD, WOOD SHAYINGS, OR SOUNDS IN THE WALL?**  
 Termites and other pests can cause serious structural damage.
- 3. LANDSCAPE EXPERT**  
**WET YARD? DOES IT SLOPE TOWARD THE HOUSE?**  
 Poor drainage can cause costly water damage and flooding.
- 4. SEPTIC SYSTEM INSPECTOR**  
**IS THE GROUND SOFT OR WET?**  
 The tank could be cracked or failing - a costly fix.
- 5. TOXIC SUBSTANCE INSPECTORS**  
**IS IT AN OLDER HOUSE?**  
 Asbestos, lead, mold, or radon could be lurking. Each potential toxin needs its own specialist.
- 6. GEOTECHNICAL INSPECTOR**  
**IS THE HOME ON A HILLSIDE OR IN AN EARTHQUAKE-OR-FLOOD-PRONE AREA?**  
 The foundation, retaining walls, and other structures could be damaged - or be at risk.
- 7. ARBORIST**  
**SURROUNDED BY LARGE TREES?**  
 Tree roots and canopies can damage the roof, driveway, and foundation.

houselogic | www.houselogic.com

## ITEMS TO INSPECT IN THE NEW HOME

INTERIOR	WHO TO CONTACT	PHONE #

EXTERIOR	WHO TO CONTACT	PHONE #

LANDSCAPING	WHO TO CONTACT	PHONE #

By [www.bankrate.com](http://www.bankrate.com)

# HOMETODAY - 3 Types of Insurances for Mortgages

## # 1 - PRIVATE MORTGAGE INSURANCE Known As PMI

When a homebuyer makes a down payment of less than 20 percent, the lender may require the borrower to buy private mortgage insurance, or PMI. This protects the lender from losing money if the borrower ends up in foreclosure. PMI also is required if a borrower refinances the mortgage with less than 20 percent equity.

### HOW CAN I GET RID OF PMI INSURANCE?

Your lender must automatically cancel PMI when your outstanding loan balance drops to 78 percent of the home's original value. This probably will take several years.

You can speed up the cancellation of mortgage insurance by keeping track of your payments. Once the loan balance reaches 80 percent of the home's original value, you can ask the lender to discontinue the mortgage insurance premiums.

To put it another way: You can request cancellation of mortgage insurance when the loan-to-value ratio drops to 80 percent. The lender is required to cancel PMI when the loan-to-value ratio drops to 78 percent.

#### **Loan-to-value ratio**

The loan-to-value ratio, or LTV, describes mortgage debt as a percentage of how much the home is worth. It is a financial term used by lenders.

**Formula:** Mortgage amount owed ÷ Appraised value

**Example:** Alex owes \$60,000 on the mortgage. The house is worth \$100,000.

$\$60,000 \text{ mortgage balance} \div \$100,000 \text{ Appraisal value} = 0.6$ . This means that Alex's loan-to-value ratio is 60 percent.

The cost of PMI depends on the borrower's financial background, like their credit score, income, and the amount of their mortgage. PMI costs between 0.5 percent and 1 percent of the original loan amount. The borrower may pay their premium monthly as bundled with their regular mortgage payment or may have the option of paying it all in a lump sum.

Martin was approved for a loan with a down payment of 15 percent. Although this lets him move into a home sooner for less money, his bank asks him to pay PMI of about 0.75 percent of the original loan amount.

That ends up costing him an additional \$90 per month, or \$1,080 per year, on top of his interest and principal payments.



# HOMETODAY - 3 Types of Insurances for Mortgages

## # 2 - HOMEOWNER'S MORTGAGE INSURANCE

By [www.bankrate.com](http://www.bankrate.com)

Homeowners' insurance, also called home insurance, provides financial protection in the event that the homeowner's house or its contents are damaged. It also provides protection in case the insured or her family are held liable for injuries to other people or damage to their possessions while they are on the property.

Homeowners typically purchase homeowners' insurance for two reasons: to protect assets, such as the building structure and the items inside, as well as to protect themselves from personal legal liability or responsibility for injuries to other people or their possessions while they are on the property; and to satisfy mortgage lenders, who typically require homeowners to buy insurance to protect their investment.

Standard coverage includes:

- Dwelling protection, which covers the home and the surrounding structures, such as a garage, toolshed, fence and carport.
- Liability coverage, which pays for damages the insured caused on another person's property, or injures a person incurred on the policyholder's property.
- Personal property coverage, which pays for the repair or replacement of items that are damaged or stolen in a covered loss.
- Additional living expense coverage, also referred to as "loss of use," which helps pay for temporary relocation and basic living expenditures such as meals if the covered damage forces the homeowner to relocate while it is being repaired.
- Medical payments coverage, which pays for injury treatment for visitors who get hurt while they are in the property. It also covers individuals the homeowner or members of her family accidentally injure while away from home.

Some policies offer additional, optional protection for perils like damage to surrounding vegetation, burst water pipes, or certain passenger vehicles associated with the property. Environmental threats, like floods or earthquakes, are typically not covered unless the homeowner also purchases hazard insurance, which also protects against dangers like nuclear fallout.

Because homeowners' insurance is a standard part of any mortgage, you'll want to get the best rate on your mortgage first.

# HOMETODAY - 3 Types of Insurances for Mortgages

## # 3 - Force-Placed Insurance: What You Need to Know

[www.dfs.ny.gov/consumer/forced-pplaced.htm](http://www.dfs.ny.gov/consumer/forced-pplaced.htm)

### ▪ What To Do If Your Lender Has Force-Placed Insurance on Your Property

Force-placed insurance, also known as creditor-placed, lender-placed or collateral protection insurance is an insurance policy placed by a lender, bank or loan servicer on a home when the property owners' own insurance is cancelled, has lapsed or is deemed insufficient and the borrower does not secure a replacement policy. This insurance allows the lender to protect its financial interest in the property.

A lender may also force-place flood insurance on homes in flood zones that they believe do not have enough flood insurance to meet the legal minimum required to protect the property.

Force-placed insurance is usually a lot more expensive than what you can obtain by shopping for an insurance policy yourself. In addition, the lender-placed insurance policy may have limited coverage. For example, these policies generally do not cover personal items or owner liability.

### What is the difference between a force-placed insurance policy and a homeowner's policy?

A homeowner's policy, which you can purchase on your own, provides more coverage and typically costs less than force-placed insurance. Unlike a homeowner's policy, force-placed insurance policies do not provide protection for personal property, such as your clothing and furniture. Additionally, a force-placed insurance policy does not include liability coverage that pays if you are responsible for damage or injuries to others.

Some force-placed insurance policies limit the amount of the coverage to the outstanding balance of the loan. This type of force-placed policy is commonly referred to as a **single-interest policy** because it only protects the lender's interest in the property. If the house is destroyed by a fire or other covered cause of loss, the single interest policy typically only pays enough to pay off the outstanding balance on the loan to the lender.

### What to Do If Your Lender Has Force-Placed Insurance on Your Property

As soon as possible, contact an insurance carrier and get a new policy or seek to have your old policy reinstated. Even if you believe the servicer is at fault, you should continue to make payments to cover the force-placed insurance.

Gather detailed proof of the new insurance and send a copy of the relevant documents to your servicer. Request that they cancel the force-placed insurance policy they obtained for you as soon as possible.

## # 4 – Home Warranty Policies

Home Warranty Coverage is not Home Insurance, however highly recommended on home older than 10+ years.

A *home warranty* is a year-long, renewable home service plan that helps with the cost to repair or replace parts of a home's systems and appliances. It's not homeowner's insurance, but acts as a complement to it –protecting things that your insurance doesn't.

Your home systems and appliances, like your water heater and oven, will break down over time. And sometimes, things just stop working, no matter how old they are. It happens. That's where a home warranty comes in – offering a budget-friendly solution for covered household breakdowns.

# HOMETODAY - Prepare for the Closing Process

## Insurance Comparison Chart

Coverage	Agency 1	Agency 2	Agency 3
Agency Name			
Premium Cost			
Property Coverage			
Perils Insured Against (Flood, trees, sewer, backup, mold, high winds, lightning)			
Exclusions (i.e perils not insured against)			
Dwelling			
Dwelling extensions			
Personal Property			
Loss of use			
Other Coverage			
Options			
Damage of property to others			
Bodily Injury			
Medical Payments to others			
Replacement Cost			
Inflation Coverage index			
Accidental Death Benefits			
Each Child			
Each Adult			
Fire Department service Charge			
Credit card Forgery			
Additions and alterations to building			

# HOMETODAY - Hidden Cost After Closing

Cost of Items Needed for Moving into the Home after Closing	
Expense	Cost
<b>Utility Deposits</b>	
Electric	
Gas	
Water	
<b>Appliances</b>	
Stove	
Refrigerator	
Micro Wave/Hood	
<b>Tools and Lawn Care Items</b>	
Tool Kit	
Lawnmower	
Garden Rake	
Push Broom	
Trash Bags	
Snow Blower	
Landscaping Materials	
Garden Hose	
Snow Shovel	
<b>House Items</b>	
Window Shades	
Broom and Dust Pan	
Vacuum Cleaner	
Trash Cans	
Light Bulbs	
Cleaning Materials	
Furniture	
<b>Repairs</b>	

Moving from one location to another can be stressful. To avoid stress, think about planning for the following things:

- ✓ Moving Truck (make sure you have dollies and Furniture Covers)
- ✓ Boxes needed to move personal items (label boxes to go into new rooms)
- ✓ Organize and Label the rooms where items are to go in the new home
- ✓ Call to schedule Utility Turn-ons (3-5 days before move)
- ✓ Notify US Postal office of address change (3 days before move)
- ✓ Schedule installations (2-5 days before move)
- ✓ Tape, markers, scissors, utility knives, hammers, screw drivers, trash bags etc.
- ✓ Change locks for all entry doors

# HOMETODAY - Home Maintenance

HOME MAINTENANCE CHECKLIST FOR HEALTHY HOMES					
	Spring	Fall	Annual	As Needed	Pro Needed
<b>Plumbing, Fixtures</b>					
Check washer hose connections			√		
Check Dishwasher hose for leaks			√		
Check Toilet supply/shut-off valve			√		
Clean & check refrigerator drip pan/icemaker connection			√		
Check shower-tub surround for signs of damage			√		
Check traps and drains under sinks, tubs, and shower for leaks			√		
Check hot water heater for leaks		√			
Check boiler for leaks		√			
Check water main/meter or well pump for leaks or sweating		√			
Check septic tank			2 years		
Check drain and supply time for leaks	√	√			
Check bath and kitchen fans operation	√	√			
<b>HVAC Equipment - Replace Filters</b>					
Warm air Furnace (merv 8)		√			
Air Conditioner (central air merv 8)	√				
Dehumidifier	√				
Outdoor air to return to heat recovery ventilation		√			
<b>Exterior Roof, Walls Windows</b>					
Shingles in good condition	√				
Check chimney, valley, plumbing vent, skylight flashing	√				
Make sure gutters discharge water away from building	√				
Check attic vents	√	√			
Check icicles and ice dams			Winter		
Look for peeling paint	√				
Look for signs to leaks where deck attaches to house	√				
Check below windows & doors that flashing is intact	√				
Repair broken cracked glass		√			
Look for signs of leaks at window and door sills	√				
Clean dryer vents	√	√			
Check that exhaust ducts are clear	√	√			

# HOMETODAY - Home Maintenance

Protect your investment by maintaining the condition of your home.  
**“Plan Ahead”**

## Budget for unexpected Repairs.

- ✓ Water Heater
- ✓ Furnace/Air Conditioners
- ✓ Drainage issues (Ducts and Down Spouting)
- ✓ Roof damage
- ✓ Plumbing leaks(sink/toilet)
- ✓ Electrical
- ✓ Improvements and repairs (Refinish deck, painting, lawn care etc.)

TRADE/CONTRACTOR	Contact Name	Business Phone	Cell Phone	Estimated Cost
PLUMBER				
HVAC (Heating/Air Condition)				
ELECTRICAL				
ROOFING				
CARPENTRY				
LANDSCAPING				

# HOMETODAY - Avoiding Foreclosure

Foreclosure is a court procedure used by lenders to get the home back from a homeowner that is in default of the Mortgage agreement. The lender has many options to assist the homeowner to bring the mortgage current and to make the housing payments affordable.

## LOAN MODIFICATION OPTIONS

**Refinance** - Is where the lender will rewrite the mortgage loan. Assistance received with this option depends on how long the homeowner already had the loan. The loan is then restructured with the remaining balance to either decrease the rate and/or the mortgage payment.

**Forbearance** – The lender will agree to a Forbearance option to assist the homeowner with allowing partial payments over a short period of time. Then the remaining delinquent amount owed is then added at the back of the loan.

**Repayment Plan** - Repayment Plan options can assist the homeowner with restructuring the monthly payment amount to include the delinquent portion to be repaid over time. Many homeowners, however, find this option more of a financial burden due to the monthly payment increasing to include adding in the delinquency installments with the current monthly payment.

**Loan Extension** – A Loan Extension is offered by extending the term of the loan to lower the monthly payment and if needed, include the delinquent amount into the calculation.

**Partial Claim** - Partial Claim options are only available for government loans such as FHA and VA Mortgage Loans. This option has an insurance option on the loan when the loan was taken out. In the insurance option the homebuyer has one opportunity to make a claim to bring their mortgage current that will restructure the fees and missed payments incurred before the loan modification are rolled together into a zero interest second mortgage, and are due when the property is either refinanced or sold.

**Interest Reduction** - This is where the lender reduces the rate of the loan, either temporarily or for the full term of the loan, depending on the modification. The interest income that the lender gives up during the rate reduction will often be added to the principal of the loan

**Principle Deferred** - This is where the lender will modify the loan in such a way as to lower the payments, but will also reduce the amount of principal that is paid off with each payment. The deferred principal is due when the property is refinanced or sold, or when the loan matures



# HOMETODAY - Avoiding Foreclosure

Foreclosure can be a stressful procedure and you may need assistance in avoiding court actions against you to protect your rights and your home.

Below are steps recommended to take when you first notice financial changes that may hinder you from paying your mortgage payment on or before the due date.

## **Suggestions on How to Avoid Foreclosure**

1. At the first sign of you not being able to pay your mortgage payments on or before the due date, call your lender to discuss what option they may have to assist you in avoiding delinquency and/or staying current.
2. Once you become delinquent, make promises to pay that you can keep. If you find that the arrangement you made cannot be kept, contact the lender to reschedule making another promise to pay. It is better for you to make the call to correct the date then for them to have to call you because you did not keep your promise.
3. If the reason for your delinquency cannot be resolve within 60-90 days to bring the mortgage current, you should request long term options.
4. Don't be afraid to consider working with the lender by using an Exit Strategy method. Using the Exit Strategy Method can provide more time for things to change financially for you, or allow you to sale the property, receive funds from the property and start all over once you have resolved your financial situation without derogatory credit history.

## **Exit Strategy Method.**

1. List the property for Sale - If the lender is going to work with you to help you have a positive outcome, listing the property will allow you to possibly receive funds to relocate and possible funds to pay off debt.
2. If you cannot find a buyer, the lender may work with you in other strategies such as

**Short Sale** – Provides the option to work with a buyer that wants to purchase the property for less than the balance owed.

**Deed In lieu** – Provide the homeowner the ability to surrender the home. This method may release the homeowner from further obligation of the balance and/or may hold the homeowner responsible for any amount remaining. We recommend working with an experienced Realtor or Housing Counselor.

**Relocation Plan** - Many Lender offer "Cash for Keys"

# HOMETODAY

## NOTES

**BANK SMART. LIVE BETTER**



**1-888-THIRDFED**

**TOLL-FREE 888-844-7333**

[www.thirdfederal.com/community](http://www.thirdfederal.com/community)