

Plum Creek Funding

Mortgage 101

Presented by:
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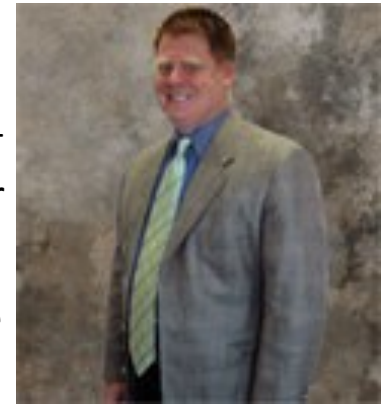
NMLS-144335



BECOME A FAN

Vince Reece

Having been in the mortgage business since 1991 it has given me the experience necessary in this demanding and ever changing industry, to create the best mortgage for each individual person. Living in Colorado since 1995, has given me a vast knowledge of the market. Backing that up with a Bachelor of Science degree from Kansas State University with majors in finance and marketing, has given me the backbone to put all my knowledge to work for you and our clients.



I focus on one thing and do it very well, and that is mortgages. I study the changing loan guidelines so you do not have to. Communications is the key and I keep everyone informed through the entire process.

I am involved in the community and volunteer as a coach for youth football, soccer, and wrestling. I help sponsor continuing education credit classes, do joint marketing with real estate agents, and assist with open houses and house warming parties. I am always available for you and your clients to help with dilemmas or questions.

We are closing loans in this challenging market. I meet with potential buyers and walk them through the process helping them overcome any glitches they may have with completing the loan process. If potential buyers have problems with less than adequate credit, I assist them in strengthening their credit to find a way to purchase their dream home. The key to having a successful closing is making sure that all the information is compiled correctly and completely. This insures the loan will be approved with minimal conditions. This also makes a seamless process for all that are involved.

My goal is to walk every person through the entire buying process. Each mortgage is unique and requires my personal attention to make this a good experience for everyone. I want my buyers to know what to expect every step of the way until they are settled into their dream home.



1. What is a loan? _____

2. What is a Mortgage? _____

3. What are the 3 C's of Making a loan?

Credit: _____

Collateral: _____

Capacity: _____

4. Front End Ratio: _____

5. Back End Ratio/Combined Ratio: _____

6. Employment History: _____

7. Down Payment/Seasoning: _____

FHA

- Owner Occupied
- Non-Occupying-Co-Borrowers Allowed
- More than 1 FHA Loan can be Allowed
- Rehab Loans/203K

Max Loan Amount: \$406,250

- Determined by county limits.

Down Payment: Minimum 3.5%

- Gift from immediate family members acceptable
- Down payment assistance available

Credit Score: Minimum score 620

- Rate adjustments may apply for scores below 640
- Alternative credit acceptable
- Medical collections may be ignored
- No credit score may be allowed

Mortgage Insurance: (Based on \$100,000 Loan amount)

- Upfront Insurance 1.75 = \$1750
- Monthly Insurance 1.35 = \$1350 / 12 = \$112.50

Loan to Value

LTV Purchase

Mortgage balance/Home value = Loan to Value

Example:

Purchase Price: \$200,000

Loan to Value: 96.5

Mortgage net amount: \$193,000

Upfront Mortgage Insurance:

$$1.75\% \times \$193,000 = \$3,377.50$$

$$+ \$193,000 = \$196,377.50$$

Payment will be calculate off the gross loan amount. The upfront mortgage insurance does not affect LTV.

Payment \$881.82 (PI)



Conventional

5% Down 720 Scores

Example: (Single Premium)

Purchase Price:	\$200,000
Loan Amount:	\$190,000
Mortgage Net Amount:	\$190,000
Combine LTV:	100%
Upfront MI:	2% (\$3800)
PI:	\$879.92

Payment will be calculated off the gross loan amount. The upfront mortgage insurance does not affect LTV.

Basic Transaction Charges

1. Title: _____

2. Prepaid Items: _____

3. HOA'S: _____

4. Bank Charges: _____

5. Mortgage Broker Charges: _____

6. Appraisals: _____

Loan Process

1. Get a Lead
2. Build value and get it pre-qualified
3. Call Vince or have lead call Vince
4. Vince will pre-qualify or give a game plan for credit repair or a plan to save
5. Vince will let you know the price range
6. Vince will let you know obstacles
7. Put an offer on a house!!!!!!!!!!!!!!
8. Get contract and title to Vince A.S.A.P
9. Loan package is submitted to underwriting
10. Get your inspections completed
11. Vince will order appraisal
12. The first approval comes from the bank with conditions
13. These conditions will be reviewed and submitted to underwriting
14. Figures are reviewed by HUD, Banks, Seller, Sellers agent, Buyers agent and Buyer.
15. WE CLOSE!!!!!!
16. YOU GET PAID!!!!!!

