



DUKE
CREDIT UNION

HOME BUYING AND CREDIT

*//au/ to BuuM a Strong Credit Vistorø
Ps tfobc Prefiare ^or Borneo tu rer skifi*

Presented by:

Scottie Dowdy

Financial Advisor

Kecha Hill

Mortgage Lending

NMLS #999044

Donna Adams

Mortgage Lending

NMLS #423547



Components of FICO Credit Score

Payment history (35% of score)

Do you pay bills on time?

Amounts owed to creditors (30%)

Do you owe a lot of money to a lot of people?

Length of credit history (15%)

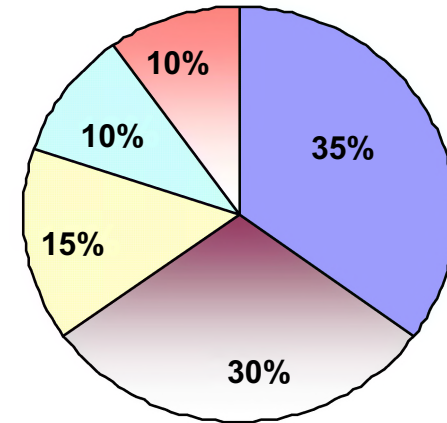
How established is your credit history?

New credit (10%)

Are you increasing your debt obligations?

Types of credit currently in use (10%)

Do you have a “healthy mix”?



Tips to Build A Strong Credit Score

- Pay all bills on time
- Keep credit utilization ratio < 25% of available credit
- Don't close all old accounts
- Don't open a flurry of new accounts
- Don't co-sign if the other person has bad credit
- Pay your library fines



Don't Have a Credit History - Start Small

- Open Share Draft & Share Savings accounts at your credit union
- Put utilities and rent in your name; pay on time
- Apply for small loan or line of credit from your credit union; charge and pay on time
- Apply for department store or gas card; pay off monthly



YOUR CREDIT UNION.

Your Life.

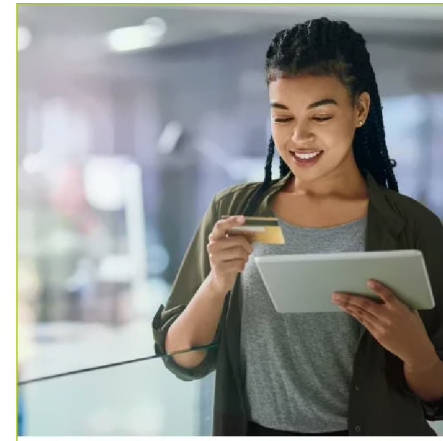
More Ways to Establish a Credit History

- Use co-signer on first few credit accounts
- Offer large down payment to get loan
- Get a secured credit card from credit union
- Make sure creditors report to credit bureaus
- Budget, track expenses, and save



Tips for Using Credit Wisely

- Charge small amounts; pay on time
- Pay in full, or more than minimum
- Avoid minimum payment trap
- Don't max out cards
- Avoid late and over-the-limit fees
- Avoid cash advances
- Don't open a flurry of new accounts



Warning Signs You Have Too Much Debt

- Only make minimum payments
- At or near credit limit on cards
- Don't know how much you owe
- Use cash advances to pay other bills
- Denied credit, or denied credit purchase
- Get calls from collection agencies
- Lie to spouse or family about spending
- More of total income going toward debts

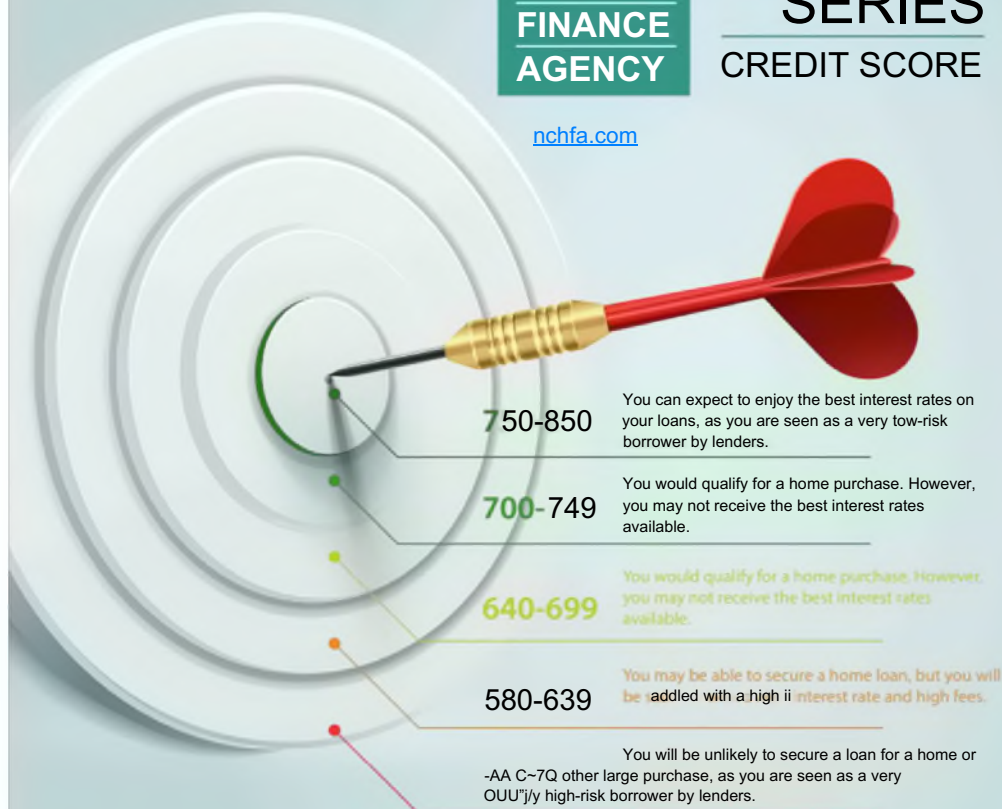


NORTH CAROLINA
HOUSING
FINANCE
AGENCY

nchfa.com

101 SERIES

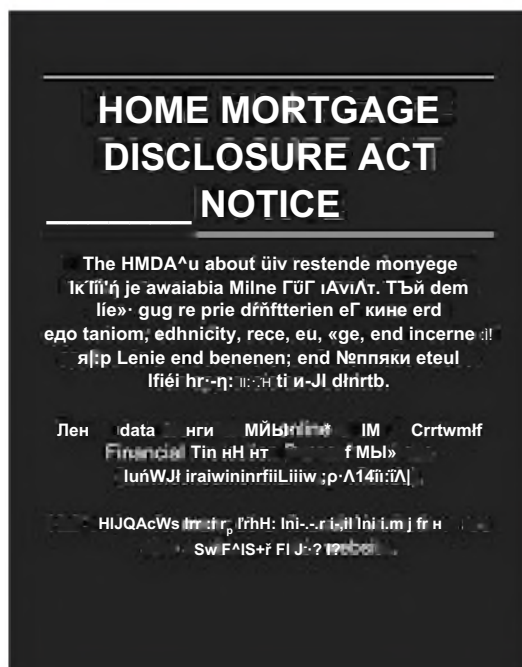
CREDIT SCORE



Credit Score and Interest Rate

- **750 -850** **Best Interest Rate**
- **700 -749** **Next Best Interest Rate**
- **640 - 699** **Qualify with Higher Rate**
- **580 - 639** **Highest rate & High fees**
- **300 - 579** **Loan Unlikely, High-risk**

Home Mortgage Disclosures



The HMDA data about our residential mortgage lending are available online for review. The data show geographic distribution of loans and applications; ethnicity, race, sex, age, and income of applicants and borrowers; and information about loan approvals and denials.

These data are available online at the Consumer Financial Protection Bureau's website (www.consumerfinance.gov/hmda).

HMDA data for many other financial institutions are also available at this website.



Local Market Update - June 2023

A RESEARCH TOOL PROVIDED BY TRIANGLE MLS



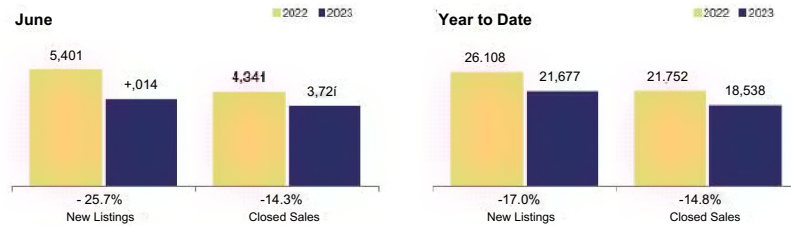
Entire Triangle Region

- 25.7% - 14.3% - 2.8%

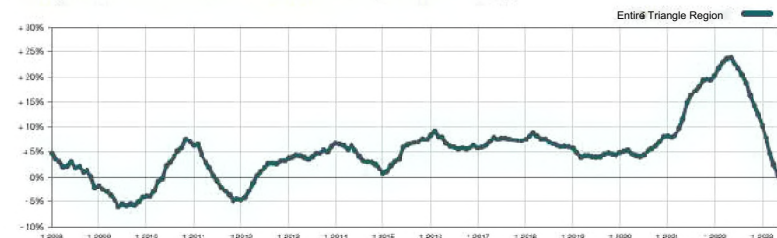
Change in New Listings Change in Closed Sales Change in Median Sales Price

	June			Year to Date		
	2022	2023	+ / -	2022	2023	+ / -
New Listings	5,401	4,014	- 25.7%	25,108	21,677	- 17.0%
Closed Sales	4,341	3,721	- 14.3%	21,752	18,538	- 14.8%
Median Sales Price*	\$421,706	\$410,000	- 2.8%	\$418,000	\$399,000	- 4.2%
Average Sales Price*	\$432,076	\$494,109	+ 14.3%	\$455,991	\$466,759	+ 2.4%
Total Dollar Volume (in millions)*	\$2,012.2	\$1,037.6	- 48.2%	\$9,981.2	\$6,648.6	- 33.4%
Percent of Original List Price Received*	103.8%	99.2%	- 4.4%	104.1%	97.5%	- 6.3%
Percent of List Price Received*	104.1%	100.3%	- 3.7%	104.2%	90.4%	- 13.2%
Days on Market Until Sale*	9	10	+ 11.1%	12	30	+ 150.0%
Housing Affordability Index	76	72	- 5.3%	83	74	- 10.8%
Inventory of Homes for Sale	5,187	5,098	- 1.7%	--	--	--
Months Supply of Inventory	1.4	1.7	+ 21.4%	--	--	--

* Does not account for seller concessions. | ** Resale properties only. | Activity for one month can sometimes look extreme due to small sample size.



Change in Median Sales Price from Prior Year (6-Month Average)



† Each dot represents the change in median sales price from the prior year using a 6-month weighted average. This means that each of the 6 months used in a dot are proportioned according to their share of sales during that period.

Local Market Update - June 2023

A RESEARCH TOOL PROVIDED BY TRIANGLE MLS



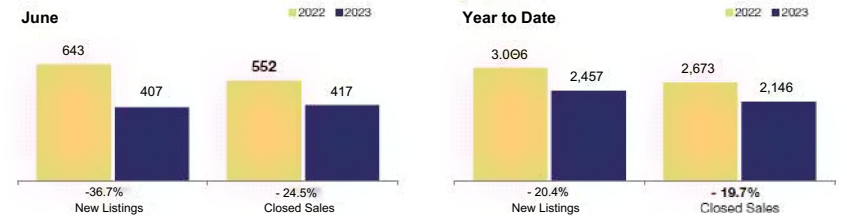
Durham County

- 36.7% - 24.5% - 0.7%

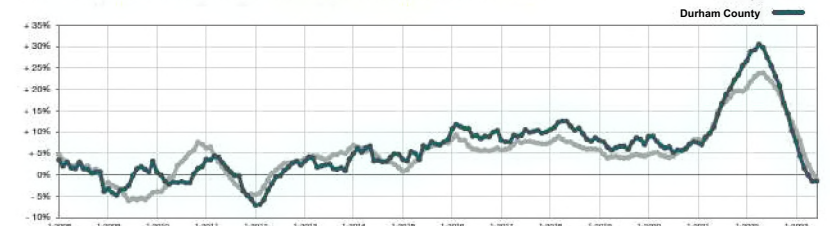
Change in New Listings Change in Closed Sales Change in Median Sales Price

	June			Year to Date		
	2022	2023	+ / -	2022	2023	+ / -
New Listings	643	407	- 36.7%	3,086	2,457	- 20.4%
Closed Sales	552	417	- 24.5%	2,673	2,146	- 19.7%
Median Sales Price*	\$430,000	\$427,000	- 0.7%	\$411,500	\$401,000	- 2.6%
Average Sales Price*	\$464,775	\$496,588	+ 6.8%	\$442,915	\$453,702	+ 2.4%
Total Dollar Volume (in millions)*	\$256.6	\$207.1	- 19.3%	\$1,183.9	\$973.2	- 17.8%
Percent of Original List Price Received*	105.8%	100.6%	- 5.0%	105.7%	98.5%	- 6.8%
Percent of List Price Received*	106.1%	101.5%	- 4.3%	105.9%	100.3%	- 5.3%
Days on Market Until Sale*	10	16	+ 60.0%	12	26	+ 116.7%
Housing Affordability Index	75	68	- 9.3%	79	73	- 7.6%
Inventory of Homes for Sale	563	481	- 14.6%	--	--	--
Months Supply of Inventory	1.2	1.4	+ 16.7%	--	--	--

* Does not account for seller concessions. | ** Resale properties only. | Activity for one month can sometimes look extreme due to small sample size.



Change in Median Sales Price from Prior Year (6-Month Average)



† Each dot represents the change in median sales price from the prior year using a 6-month weighted average. This means that each of the 6 months used in a dot are proportioned according to their share of sales during that period.

Current as of July 10, 2023. All data from Triangle Multiple Listing Service, Inc. | Report © 2023 ShowingTime.

Local Market Update - June 2023

A RESEARCH TOOL PROVIDED BY TRIANGLE MLS



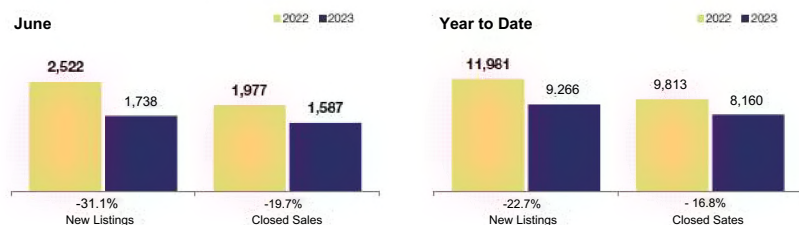
Wake County

- 31.1% - 19.7% + 1.5%

Change In Change In Change In
New Listings Closed Sales Median Sales Price

	June			Year to Date		
	2022	2023	+ / -	2022	2023	+ / -
New Listings	2,522	1,738	- 31.1%	11,981	9,266	- 22.7%
Closed Sales	1,977	1,587	- 19.7%	9,813	8,160	- 16.8%
Median Sales Price*	\$492,490	\$600,000	+ 1.5%	\$466,713	\$470,000	+ 0.7%
Average Sales Price*	\$563,234	\$598,336	+ 4.5%	\$630,316	\$661,821	+ 2.2%
Total Dollar Volume (in millions)	\$1,113.5	\$933.1	- 16.2%	\$5,291.8	\$4,495.2	- 15.1%
Percent of Original List Price Received*	104.2%	99.6%	- 4.4%	105.4%	7.6%	- 7.4%
Percent of List Price Received*	104.5%	100.4%	- 3.9%	105.4%	99.4%	- 5.7%
Days on Market Until Sale*	7	16	+ 128.6%	8	26	+ 250.0%
Housing Affordability Index	66	58	- 12.1%	69	62	- 10.1%
Inventory of Homes for Sale	2,230	1,823	- 18.3%	--	--	--
Months Supply of Inventory	1.3	1.3	0.0%	--	--	--

* Does not account for seller concessions. | * Retails properties only. | Activity for one month can sometimes look extreme due to small sample size.



Change in Median Sales Price from Prior Year (6-Month Average)*



* Each dot represents the change in median sales price from the prior year using a 6-month weighted average. This means that each of the 6 months used in a dot are proportioned according to their share of sales during that period.

Current as of July 10, 2023. All data from Triangle Multiple Listing Service, Inc. | Report © 2023 ShowingTime.

Local Market Update - June 2023

A RESEARCH TOOL PROVIDED BY TRIANGLE MLS



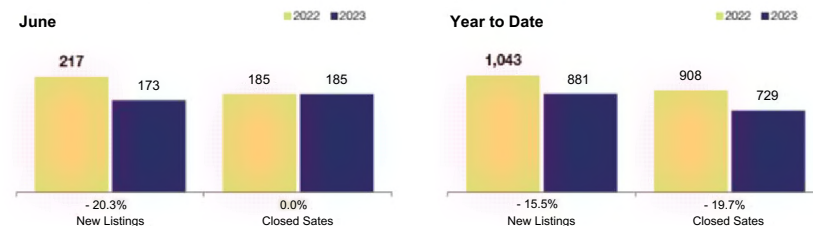
Orange County

- 20.3% 0.0% + 3.2%

Change in Change in Change in
New Listings Closed Sales Median Sales Price

	June			Year to Date		
	2022	2023	+ / -	2022	2023	+ / -
New Listings	217	173	- 20.3%	1,043	881	- 15.5%
Closed Sales	185	185	0.0%	908	729	- 19.7%
Median Sales Price*	\$494,030	\$510,000	+ 32%	\$456,558	\$450,000	- 1.4%
Average Sales Price*	\$838,510	\$641,611	- 0.5%	\$574,539	\$591,276	+ 2.9%
Total Dollar Volume (in millions)	\$118.1	\$118.7	+ 0.5%	\$520.5	\$431.0	- 17.2%
Percent of Original List Price Received	108.8%	101.4%	- 6.8%	100.0%	100.5%	+ 5.7%
Percent of List Price Received*	109.1%	102.5%	- 8.0%	100.8%	101.7%	- 4.0%
Days on Market Until Sale*	6	15	+ 87.5%	13	21	+ 81.5%
Housing Affordability Index	66	57	- 13.8%	71	65	- 8.5%
Inventory of Homes for Sale	171	174	- 1.8%	--	--	--
Months Supply of Inventory	1.1	1.4	+ 27.3%	--	--	--

* Does not account for seller concessions. | * Retails properties only. | Activity for one month can sometimes look extreme due to small sample size.



Change in Median Sales Price from Prior Year (5-Month Average)*



* Each dot represents the change in median sales price from the prior year using a 5-month weighted average. This means that each of the 5 months used in a dot are proportioned according to their share of sales during that period.

Current as of July 10, 2023. All data from Triangle Multiple Listing Service, Inc. | Report © 2023 ShowingTime.

Six Steps to Homeownership

1. Examine Your Finances
2. Determine the Right Mortgage
3. Home Purchase Partners
4. Home Buying Timeline
5. Pre-Closing Matters
6. Closing Day/Post Closing



Examine Your Finances

Budget

- Determine an ideal/comfortable **mortgage payment**
- Determine an ideal/comfortable **price range** for a home

Credit score and credit history

- Pull your own credit report and score annualcreditreport.com
- Obtain a pre-qualification or a pre-approval from a lender

Savings/Funding available

- Take inventory of available funds
- Review Savings/Checking and any other sources

Determine the Right Mortgage

Shop the Marketplace (obtain information from 2-3 Lenders)

- Local Credit Union
- Large Financial Institution
- Mortgage Brokerage Company
- Builder-in-housing lending

Learn the various Mortgage Programs

- Conventional Mortgage
- Federal Housing Administration (FHA)
- Veteran Affairs (VA-loans)
- United States Department of Agriculture (USDA)
- Specialty Loan Program

Determine the Right Mortgage II

Components of a Mortgage Payment

- PITI-principal, interest, tax, insurance
- Private Mortgage Insurance (PMI)
- Home owner Association Dues (HOA)

Mortgage amortizations plans

- 30 year, 20 year, 15 year, 10 year fixed mortgages

Down payment factors

- 3% to 5% minimum down payment (depending on the loan programs)
- To avoid (PMI) for Conventional mortgages-20% down payment required



Home Purchase Partners

- o Real Estate Agents
- o Attorneys
- o Title Company
- o Appraisers
- o Underwriters
- o Processors
- o Loan Officers
- o Home Inspectors/Pest Inspectors



Home Buying Timeline

- o Pre-qualification/Pre-approval process
- o Search for a home
- o Once under contract, select a lender
- o Submit a full application
- o Underwriting process
- o Closing Disclosure/Loan Closing



Pre-Closing Matters

Six to ten days before closing date:

- Obtain Clear to Close (CTC)
- Preliminary Closing Disclosures
- Final Walk-thru for the home
- Prepare your Funds for closing
- Final issuance of Closing Disclosure
- Closing/Post Closing



Cost Estimates- 30 Year Conventional



Monthly Mortgage Payment: \$2,009.86

Disclosure: Current monthly payment and interest rates are quotes that are based on non qualified information. Actual information may change once information has been verified and qualified.

Loan Program Loan Amount Interest Rate APR

30 Yr. Fixed \$291,000 7.375% 7.375%

Purchase Price Downpayment Credit Score

\$300,000 3% \$9,000 Excellent
780+

Example
Only

Loan Details

Calculating Cash to Close

Total closing cost	\$6,893.60
Down Payment	\$9,000
Estimated Cash to Close	\$15,893.60

Monthly Payment Details

\$2,009.86

Closing Costs Details

Points / Lender Credit	(\$363.75)
Origination	+ \$2,910
Appraiser Fee	+ \$495
Credit Report	+ \$71.35
Tax Service Fee	+ \$93
Processing Fee	+ \$759
Flood Certification	+ \$9
Hazard Insurance	+ \$1,140
Trade - Miscellaneous Fee	+ \$1,575
Deed Recording Fee	+ \$205
Total Closing Cost	\$6,893.60



Cost Estimates- FHA Loan

Monthly Mortgage Payment: \$1,853.70

Disclosure: Current monthly payment and interest rates are quotes that are based on non qualified information. Actual information may change once information has been verified and qualified.

Loan Program	Loan Amount	Interest Rate	APR
30 Yr. Fixed	\$289,500	6.625%	6.625%
Purchase Price	Downpayment	Credit Score	
\$300,000	\$10,500	Excellent	
	asai	780+	

Example Only

Loan Details

Calculating Cash to Close

Total closing cost	\$6,573.60
Down Payment	510,500
Estimated Cash to Close	\$17,073.60

Monthly Payment Details

5 1, B 53.70

Closing Costs Details

Poems / Lender Credit	(\$723.751
Origination	+ \$1,155
Appraisal Fee	+ \$25
Credit Report	+ \$71.35
Tax Service Fee	+ \$93
Processing Fee	+ \$784
Flood Certification	+ \$9
Hazard Insurance	*\$1,100
Title - Miscellaneous Fee	*\$1,575
Deed Recording Fee	+ \$205
Total Closing Cost	\$6,573.60

Your Duke Credit Union Partners

Thank you!

Mortgage Lending

Kecha Hill

Mortgage Lending Counselor

NMLS#999044

919.660.0049

Kecha.hill@duke.edu

Donna Adams

Financial Service Specialist

NMLS#423547

919.660.9762

djcooper@duke.edu

Lending

Scottie Dowdy

Financial Advisor

Duke Credit Union

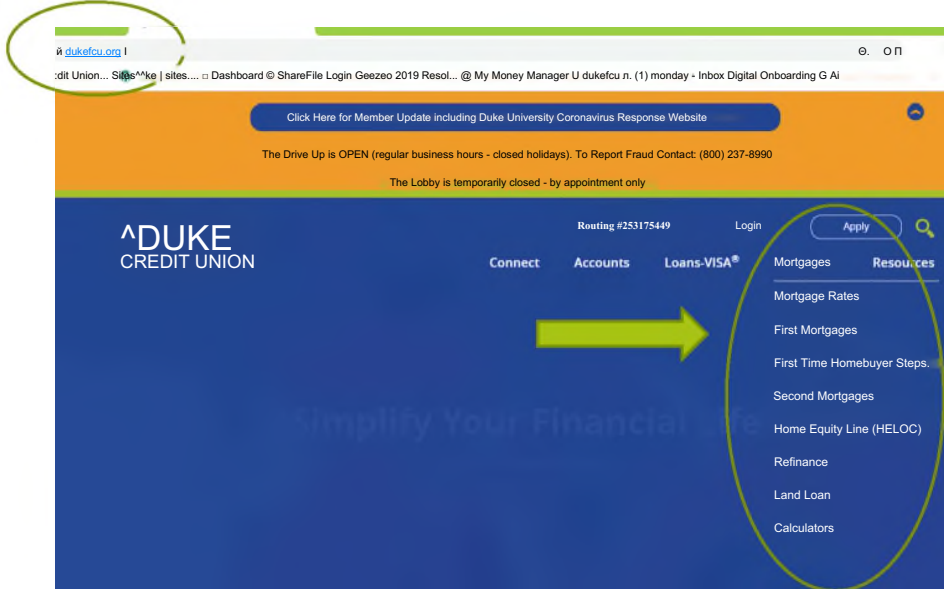
919.660.9745

Scottie.dowdy@d [uke.edu](mailto:duke.edu)



Questions?

o dukefcu.org



Email Us:

loan-dept@duke.edu



<t>DUKE
CREDIT UNION

YOUR CREDIT UNION.

Your Life.