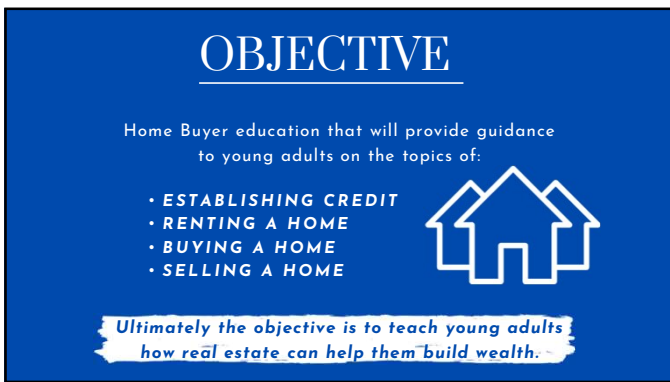


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What is credit?



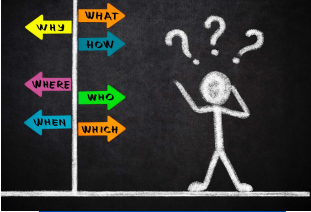
DEFINITION:
A) Definition (Webster's definition) - the ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future

Example:
 You borrow money from your father and agree to pay him back next Friday. In order for credit to work, Dad has to believe that you can and will make that payment next Friday or other terms both parties agree to.

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Consumer Credit



Did you know?













Renting
 Even if you're renting your landlord may check your credit to see if you would be a good tenant?

Insurance
 The better your credit is the better quote you will receive on your homeowners or vehicle rate?


Mortgages
 The higher your credit score the lower your mortgage rate will be?

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	VS	
 Lower Mortgage Interest Rate		 Lower Mortgage Interest Rate
 Easier to get Pre Approved		 Easier to get Pre Approved
 Landlords are typically more likely to approve your application		 Landlords are typically more likely to approve your application
 Cheaper insurance rate		 Cheaper insurance rate
 Cheaper/no high risk utility deposit		 Cheaper/no high risk utility deposit

Why Credit is important



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START NOW



What if I don't have any credit?



WAYS TO ESTABLISH CREDIT:

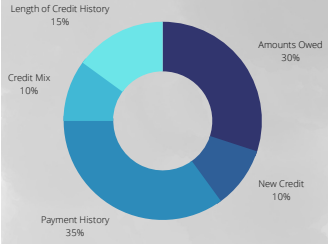
- You must be 18 yrs. of age**
- Apply for a secured loan from your local bank**
- Apply for a secure credit card and keep balance below 21% of available credit limit**
- Monitor your credit to ensure no fraud is taking place**
- Ask a family member you trust to add you as authorized user on a credit card**

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"Good Credit"	"Bad" or No Credit
Auto Loan Amount \$20,000	Auto Loan Amount \$20,000
Auto Loan Term 5 Yrs.	Auto Loan Term 5 Yrs.
Interest Rate 6.0%	Interest Rate 26.0%
Monthly Payment \$387	Monthly Payment \$599
Payment Difference	
Total Interest \$3,199	Total Interest \$15,929
Interest Difference \$12,730	


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Maintaining Credit



Major Factors:

- Make payments on time
- Credit card utilization
- Length of credit
- New credit
- Type of credit
- Public Records (Ex. Bankruptcy)
- Number of credit inquiries



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Renting



FACTS

- No equity**
When you pay rent, that is money you will never get back. When you pay your mortgage you are building your own equity in your home.
- Payment**
Your mortgage is usually cheaper than your monthly rent.
- Freedom to Personalize**
If you're renting you can't do improvements or personalization without the consent of landlord.

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Qualifications

What are the Renting qualifications?

QUALIFICATIONS:

- ✓ **Income Verification**
- ✓ **References**
- ✓ **Co-Signer Possibility**
- ✓ **Application Fee**
- ✓ **Work History**
- ✓ **Credit and Criminal Background Check**

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How much money will I need up front?

DEPOSITS

- Why is a deposit required?
- What amount do I need for my deposit??
- Will I get my deposit back?

That can add up to be a lot of money. I think I am ready to buy.

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15 Rent payment

MONTHLY RENTAL PAYMENTS

WHAT DO I NEED TO KNOW ABOUT RENTAL PAYMENTS?

- Be aware of due dates and grace periods
- Be on time
- Know what methods are accepted and where they can be made
- Watch out for late fees
- Be prepared for rent increase at end of term

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Things To Consider

Lease Agreements 101

THINGS TO KNOW:

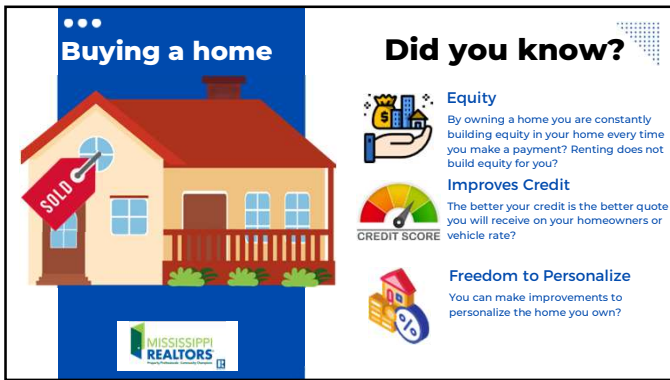
- Know the duration and terms.
- Who is allowed to live with you?
- Are pets allowed?
- Who is responsible for what?
- Are visitors allowed?
- Landlord communication?
- Lease termination and penalty?

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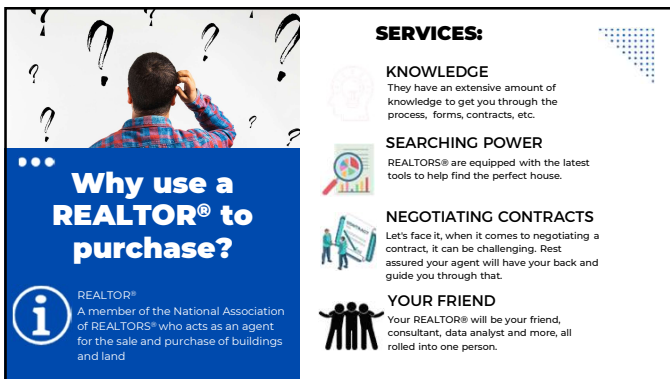
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YOU'RE PRE-APPROVED

Why get pre-approved?

FUN FACT Most sellers will not accept an offer unless you have been pre-approved

TOP REASONS:

- ESTABLISH YOUR PURCHASING BUDGET
- ESTABLISH A RELATIONSHIP WITH A BANKER
- LETS THE SELLER KNOW YOU'RE SERIOUS AND READY TO BUY!

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LEADING YOU HOME

APPROVED

RENT

SHOULD I JUST STOP AND RENT?

Fun Fact: Renting a home doesn't build any equity for you

BUYING A HOME CAN CREATE FUTURE WEALTH

SOLD

CASH IN ON EQUITY BY SELLING

CREDIT CHECK

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Selling a Home

Do not be this guy. HIRE A REALTOR®

Did you know?

Equity
When you sell your home, you will cash in on any equity you have built through the years of paying your mortgage?

More Profit
According to the National Association, using a REALTOR® can help you achieve a higher profit than you would get by selling it yourself?

Marketing
When you hire a REALTOR®, they know how to market your home and know the avenues to get it sold fast and for top dollar?

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<p>REALTOR</p> <ul style="list-style-type: none"> ✓ Home sells faster ✓ Knows how to market the property ✓ Knows the market ✓ Sells for more 	<p>VS</p> <p>FOR SALE BY OWNER</p> <ul style="list-style-type: none"> ✗ Home sells faster ✗ Knows how to market the property ✗ Knows the market ✗ Sells for more
---	--

Know the difference

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Why use a REALTOR®?

The typical FSBO home sold for \$260,000 compared to \$318,000 for agent-assisted home sales.

SOURCE: NAR

WHY YOU NEED A REALTOR®

- NETWORK**
REALTORS® have a lot of connections such as lenders, inspectors, appraisers, and buyer contacts to help expedite the sale.
- COMPARABLE MARKET ANALYSIS**
REALTORS® will do a free market analysis to make sure your house is priced right from the start to get it SOLD FAST!
- NEGOTIATING CONTRACTS**
It's what we do! Hiring a REALTOR® can help you navigate those long contracts and legal processes to make sure you're protected when it comes to negotiating offers.
- CLOSING PROCESSES**
REALTORS® will help you during the entire process to make sure you get to close on time!

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MISSISSIPPI REALTORS®

LEADING YOU HOME

CREDIT CHECK

APPROVED

RENT

SHOULD I JUST STOP AND RENT?

Fun Fact: Renting a home doesn't build any equity for you.

BUYING A HOME CAN CREATE FUTURE WEALTH

CASH IN ON EQUITY BY SELLING

Thank you for joining on my race to financial literacy

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