

LeadershipMAR 

 LEADING
YOU
HOME

 MISSISSIPPI
REALTORS®
Property Professionals | Community Champions 



LMAR 22 

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OBJECTIVE

Home Buyer education that will provide guidance to young adults on the topics of:

- ESTABLISHING CREDIT
- RENTING A HOME
- BUYING A HOME
- SELLING A HOME



Ultimately the objective is to teach young adults how real estate can help them build wealth.

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What is credit?




DEFINITION:

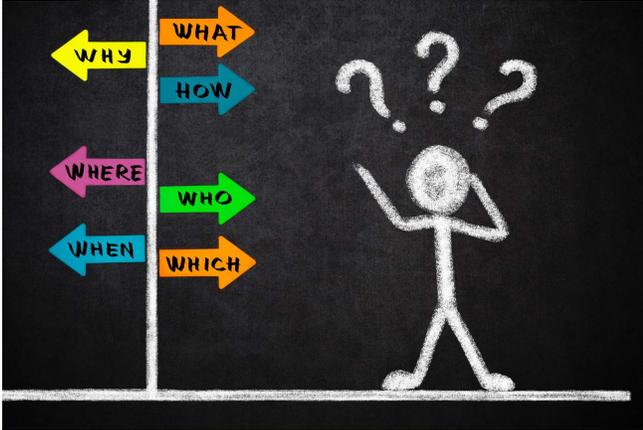
A) Definition (Webster's definition) - the ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future

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?



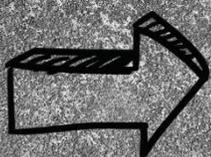
Mortgages
The higher your credit score the lower your mortgage rate will be?

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	vs		 
 Lower Mortgage Interest Rate	 Lower Mortgage Interest Rate	 Lower Mortgage Interest Rate	
 Easier to get Pre Approved	 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	 Landlords are typically more likely to approve your application	
 Cheaper insurance rate	 Cheaper insurance rate	 Cheaper insurance rate	
 Cheaper/no high risk utility deposit	 Cheaper/no high risk utility deposit	 Cheaper/no high risk utility deposit	
<div style="display: flex; justify-content: space-between; align-items: center;">  <h2 style="font-size: 2em;">Why Credit is important</h2>  </div>			

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START NOW



...
What if I don't have any credit?



WAYS TO ESTABLISH CREDIT:

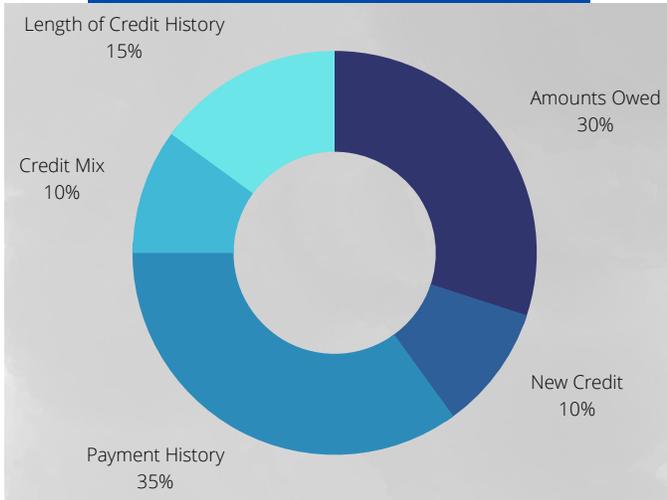
- You must be 18 yrs. of age**
- Apply for a secured loan from your local bank**
- Apply for a secure credit card and keep balance below 21% of available credit limit**
- Monitor your credit to ensure no fraud is taking place**
- Ask a family member you trust to add you as authorized user on a credit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

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"Good Credit"	"Bad" or No Credit
<p>Auto Loan Amount \$20,000</p> <p>Auto Loan Term 5 Yrs.</p> <p>Interest Rate 6.0%</p> <p>Monthly Payment \$387</p>	<p>Auto Loan Amount \$20,000</p> <p>Auto Loan Term 5 Yrs.</p> <p>Interest Rate 26.0%</p> <p>Monthly Payment \$599</p>
<p>Payment Difference</p> <p style="font-size: 1.2em; color: red;">\$212</p>	
<p>Total Interest \$3,199</p>	<p>Total Interest \$15,929</p>
<p>Interest Difference</p> <p style="font-size: 1.2em; color: red;">\$12,730</p>	

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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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LEADING YOU HOME

START

APPROVED

RENT

SHOULD I JUST STOP AND RENT?

FINISH

CREDIT CHECK

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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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... 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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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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... **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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SHOULD I JUST STOP AND RENT?

APPROVED

CREDIT CHECK

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

BUYING A HOME CAN CREATE FUTURE WEALTH

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Buying a home



Did you know?



Equity

By owning a home you are constantly building equity in your home every time you make a payment? Renting does not build equity for you?



Improves Credit

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



Freedom to Personalize

You can make improvements to personalize the home you own?

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Why use a REALTOR® to purchase?



REALTOR®
A member of the National Association of REALTORS® who acts as an agent for the sale and purchase of buildings and land

SERVICES:



KNOWLEDGE

They have an extensive amount of knowledge to get you through the process, forms, contracts, etc.



SEARCHING POWER

REALTORS® are equipped with the latest tools to help find the perfect house.



NEGOTIATING CONTRACTS

Let's face it, when it comes to negotiating a contract, it can be challenging. Rest assured your agent will have your back and guide you through that.



YOUR FRIEND

Your REALTOR® will be your friend, consultant, data analyst and more, all rolled into one person.

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YOU'RE PRE-APPROVED



TOP REASONS:



...
Why get pre-approved?



FUN FACT

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



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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CREDIT CHECK

APPROVED



RENT

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SOLD

CASH IN ON EQUITY BY SELLING



FINISH

BUYING A HOME CAN CREATE FUTURE WEALTH

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Selling a Home



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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vs



-  Home sells faster
-  Knows how to market the property
-  Knows the market
-  Sells for more

-  Home sells faster
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-  Sells for more



Know the difference

Source: Listwithclever.com

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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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Thank you for joining on my race to financial literacy