

INTERMOUNTAIN FAIR HOUSING COUNCIL HOMEOWNERSHIP GUIDE



The Intermountain Fair Housing Council (IFHC) is a nonprofit organization whose mission is to ensure open and inclusive housing for all persons without regard to race, color, sex, religion, national origin, familial status, sexual orientation, gender identity, a source of income, or disability. The IFHC attempts to eradicate discrimination through, education on the fair housing laws, housing information and referral, housing counseling, and assistance with mediating and or filing fair housing complaints, among other things.



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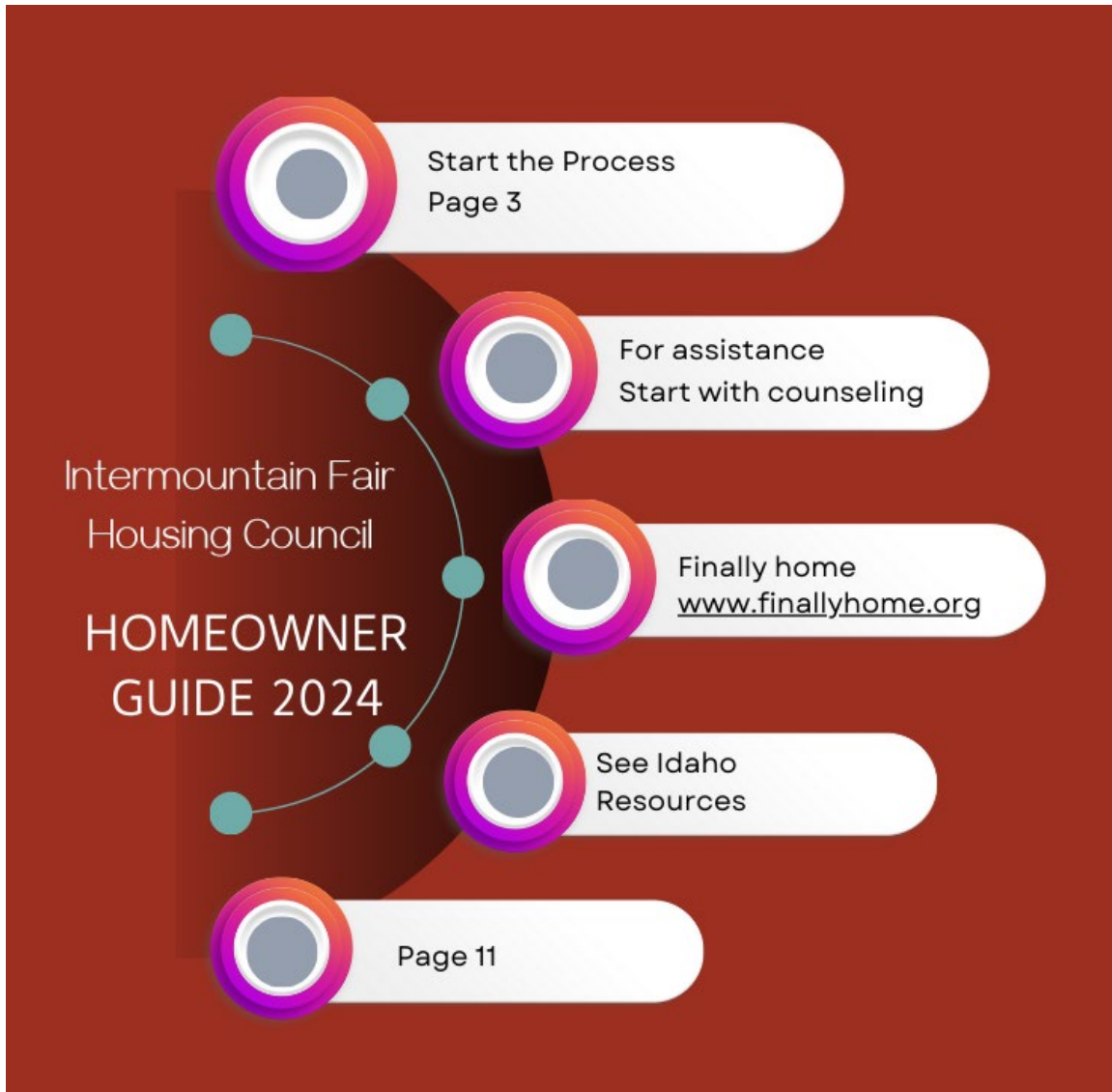
Housing Justice For All



We are highly aware of the American Dream of Homeownership. We have created this resource as a tool to help those pursuing that dream.

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What's first in the homebuying process?

- Know what you can afford
- Know your finances
- Save for your down payment

Know what you can afford: Banks may approve mortgage payments of up to 35% of your pretax income. But some experts advise limiting payments to no more than 25% of your after-tax income.

Know your finances:

1. Goal: your mortgage payment (includes mortgage payment, property tax, and PMI, if applicable) at or below 28% of your pretax monthly income.
 - Your mortgage payment should be equal to one week's paycheck.
2. Goal: your total debt payments at or below 40% of your pretax monthly income.
 - Your mortgage payment plus all other debt should be no greater than two weeks' paycheck.

Save for your downpayment:

- Create a separate savings account
 - Draft a savings plan
 - Deposit regularly
 - Cut unnecessary expense - deposit to savings
- Increase your income - get another job, freelance, or get creative
- Government programs - loan programs can minimize or eliminate your down payment
 - *ABLE accounts* are savings accounts for people with disabilities. The passage of the Stephen Beck Jr., Achieving a Better Life Experience Act of 2014, or the ABLE Act, provides the opportunity to save money beyond typical resource limits, <https://silc.idaho.gov/able-accounts/>
 - *Idaho Homeownership Assistance Programs* <https://www.hud.gov/states/idaho/homeownership/buyingprqms>
 - *Family Self-Sufficiency Program (FSS)* is a program that enables HUD-assisted families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies. chrome-extension://efaidnbmnnnibpcajpcgclefindmkaj/https://www.hud.gov/sites/dfiles/PIH/documents/FSS_Fact_Sheet_July_2023.pdf
 - *Individual Development Accounts (IDA) Program* helps community members, refugees and other ORR-eligible populations save toward an asset that will help increase financial independence. The program helps people understand what assets are, how the U.S. financial system works, and how to manage their money. An individual development account (IDA) is a type of savings account designed to help low-income individuals build assets and achieve financial stability and long-term self-sufficiency. People use IDAs to save money to start a business, pay for education, or buy a home. chrome-extension://efaidnbmnnnibpcajpcgclefindmkaj/https://www.hud.gov/sites/documents/DOC_9854.PDF

Down payment myths:

You need a 10-20% down payment - approximately 60% of home purchasers finance with less
Low down payment programs are only for first time buyers - review programs available in your area before you count yourself out.

It's difficult to qualify for down payment assistance programs - there are assistance programs available for homebuyers at all levels of income with a diversity of credit scores. Talk to a real estate professional.

You can't use gifts, grants, or loans for your down payment - many programs allow buyers to use money that has been gifted to them (whether through family or grant programs)



Next ... Know Your Rights



The Fair Housing Act prohibits housing discrimination based on the protected classes: race, color, religion, National Origin, sex, disability, or familial status. If you believe you or someone you know believe you have experienced a violation of your rights, contact Intermountain Fair Housing Council.

www.ifhcidaho.org or call 800-717-0695

Types of Discrimination to look for when buying a house

Steering:

Homebuyers should be on alert for signs of steering. Steering is when someone is encouraged towards or away from a certain neighborhood, unit, or even a loan. Steering has been used to limit peoples' access to homes that they would have otherwise enjoyed and can even result in someone being offered more expensive and riskier mortgages.

Mortgage discrimination:

When trying to get a mortgage, a discriminatory lender may not offer you a lower-cost loan that you're eligible to receive or may offer you one with a higher mortgage interest rate. In the run-up to the Great Recession in the 2000s, many buyers of color were steered into subprime loans when some would have fared better with other more stable mortgages.

Appraisal discrimination:

Biased appraisals hurt how much sellers make on the sales of their properties, hurt homeowners who try to refinance or tap into their home equity to cover an emergency, and what may be financed for the mortgage of an original purchase. Properties in predominantly Black communities are often undervalued by about 23% versus comparable properties in white communities, according to a 2018 study from Brookings Institute.



Discrimination with a smile:

Also known as "Revolving Door Discrimination," this Fair Housing Violation can look like someone refusing to sell to or deal with an interested buyer of a protected class, while regularly interacting with folks who are not of that class. Not returning calls or ignoring firm sales offers because of a person's race, sex, religion, familial status, disability, or national origin is discrimination.



Insurance Discrimination

Refuse to provide homeowners insurance, discriminate in the terms or conditions of homeowners insurance coverage, refuse to provide available information on the full range of homeowners insurance coverage options available, Makes print or publish any statement, in connection with the provision of homeowners insurance coverage, that indicates a preference, limitation or discrimination based on race, color, religion, sex, disability, familial status or national origin.



Contact us:

If you believe you have experienced (or are about to experience) housing discrimination.

Intermountain Fair Housing Council can help you file a complaint with HUD. You can get started by filling out an online inquiry at www.ifhcidaho.org, emailing contact@ifhcidaho.org, or calling our toll free number 800-717-0695



Discriminatory Transactions:

Making Housing Unavailable

Discriminatory Terms and Conditions

Discriminatory Statements

Steering

Blockbusting

Coercion and Intimidation

Redlining

- Predatory lending is any lending practice that imposes unfair and abusive loan terms on borrowers.
- Some aspects of predatory lending include high-interest rates, high fees, and terms that strip the borrower of equity.
- The economic impact of COVID-19 gave way for cash-strapped consumers to become vulnerable to predatory loans.
- Predatory lending disproportionately affects women, Black, and Latinx communities.
- Predatory lending often occurs in conjunction with home mortgages.



Know the process

1. Save for your home buying fund
2. Boost and manage your credit score
3. Work with a local real estate professional
4. Explore the buyer programs in your area
5. Determine how much home you can afford
6. Get pre-approved before you start your home search

Potential timeline:

12 months out

- Check your credit score
- Work on debt-to-income ratio
- Make your downpayment plan

9 months out

- Research neighborhoods and visit open houses
- Create a miscellaneous expenses fund
- Prioritize what you want

6 months out

- Collect your loan paperwork
- Find a housing counselor in your area
 - Research lenders and realtors

3 months out

- Get your loan pre-approved
- Start shopping

2 months out

- Make an offer
- Get a home inspection

1 month out

- Get insurance
- Conduct a final walkthrough and close
- Triple check your financial documents are in order



Know the language

Common Real Estate Terms Explained

Appraisal: The valuation and estimate of the fair market value of real property based on comparable properties that have recently been sold. An appraisal is generally ordered by the buyer's lending institution and used to determine value for lender.

Closing costs: Closing costs include all the expenses a buyer or seller will be responsible for paying at closing. These costs include things like bank fees, title insurance, county recording costs, real estate agents professional and attorney fees.

Debt to Income Ratio: Your debt-to-income ratio (DTI) is all your monthly debt payments divided by your gross monthly income. This number is one-way lenders measure your ability to manage the monthly payments to repay the money you plan to borrow.

Deed: The deed is the legal document that transfers title from the seller to the buyer. It is executed and delivered to the buyer at closing and is recorded in the County Clerk's Office.

Deposit: Sometimes called an Earnest Money Deposit, this is the amount a buyer will deposit with a real estate contract. It is deposited and (generally) held by the listing real estate agent and credited to the buyer at closing.

Down payment: This is the amount of money a buyer will pay at the closing to complete the home purchase. It is usually a percentage of total purchase price (example, 3% down).

Escrow account: An escrow account is an account established by a buyer's lender. A certain amount of money (1/12th of the total taxes and homeowner's insurance premium) is deposited into this account, with the buyer's base monthly payment. The lender then pays all taxes and insurance premiums as they become due from this account. An escrow account is generally mandatory if the buyer makes less than a 20% down payment.

FSBO/For Sale By Owner: The process of selling real estate without the help and representation of a real estate agent.

Homeowner's insurance: Insurance that pays for losses and damage to your property if something unexpected happens, like a fire or burglary. When you have a mortgage, your lender wants to make sure your property is protected by insurance. That's why lenders generally require proof that you have homeowner's insurance. Standard homeowner's insurance doesn't cover damage from earthquakes or floods, but it may be possible to add this coverage. Homeowner's insurance is also sometimes referred to as "hazard insurance".

Loan/Note: The loan is the buyer's promise to repay their lender the amount of money borrowed to purchase their home. It contains the terms of repayment (interest rate, length of repayment, etc.,) and determines monthly payment.

Mortgage: A mortgage is a security instrument that generally goes hand in hand with a note (loan). While the note is the promise to pay the debt back to the lender, the mortgage is recorded in the County Clerk's office and secures repayment of the debt. If a borrower defaults on the loan and cannot (or will not) pay the loan back, the lender can utilize the mortgage to foreclose and take the home back.

Special Purpose Credit Programs: Programs that are available to increase credit access to better serve historically disadvantaged individuals and communities. These programs encourage lenders to explore opportunities available to them to increase credit access through special purpose credit programs (SPCPs) to better serve historically disadvantaged individuals and communities.

Title Insurance: Title insurance protects the owner of the policy from financial loss that may occur, post-closing, due to defects in the title property. Title insurance is generally mandatory for the lender and paid for by the borrower. Title insurance is also available to protect the buyer of the property. Although the title insurance is not mandatory, it is highly recommended.



Know the lender

Hud has created a great tool for loan shopping: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.hud.gov/sites/documents/BOOKLET.PDF

Shopping around for a home loan or mortgage will help you to get the best financing deal. A mortgage—whether it's a home purchase, a refinancing, or a home equity loan—is a product, just like a car, so the price and terms may be negotiable. You'll want to compare all the costs involved in obtaining a mortgage. Shopping, comparing, and negotiating may save you thousands of dollars.

Be sure to get information about mortgages from several lenders or brokers. Know how much of a down payment you can afford and find out all the costs involved in the loan. Knowing just the amount of the monthly payment or the interest rate is not enough.

- Ask for information about the same loan amount, loan term, and type of loan so that you can compare the information.
- Ask each lender and broker for a list of its current mortgage interest rates and whether the rates being quoted are the lowest for that day or week.
- Ask whether the rate is fixed or adjustable. Keep in mind that when interest rates for adjustable-rate loans go up, generally so does the monthly payment. Shop around for the best interest rate and options for your household. Know how your ARM adjusts. Before taking out an adjustable-rate mortgage, find out:
 - How high your interest rate and monthly payments can go with each adjustment
 - How frequently your interest rate will adjust
 - How soon your payment could go up
 - If there is a cap on how high your interest rate could go
 - If there is a limit on how low your interest rate could go
 - If you will still be able to afford the loan if the rate and payment go up to the maximums allowed under the loan contract
 - Tip: Don't assume you'll be able to sell your home or refinance your loan before the rate changes. The value of your property could decline or your financial condition could change. If you can't afford the higher payments on today's income, you may want to consider another loan.
 - Learn more about interest only and Payment Option Arms:
<https://www.fdic.gov/consumers/consumer/interest-only/index.html>

- Ask about the loan’s annual percentage rate (APR). The APR takes into account not only the interest rate but also points, broker fees, and certain other credit charges that you may be required to pay, expressed as a yearly rate.
- A home loan often involves many fees, such as loan origination or underwriting fees, broker fees, and transaction, settlement, and closing costs. Every lender or broker should be able to give you an estimate of its fees. Many of these fees are negotiable. Some fees are paid when you apply for a loan (such as application and appraisal fees), and others are paid at closing. In some cases, you can borrow the money needed to pay these fees, but doing so will increase your loan amount and total costs. “No cost” loans are sometimes available, but they usually involve higher rates.
- Ask what each fee includes. Several items may be lumped into one fee.
- Ask for an explanation of any fee you do not understand.
- Some lenders require 20 percent of the home’s purchase price as a down payment. However, many lenders now offer loans that require less than 20 percent down—sometimes as little as 5 percent on conventional loans. If a 20 percent down payment is not made, lenders usually require the home buyer to purchase private mortgage insurance (PMI) to protect the lender in case the home buyer fails to pay. When government-assisted programs such as FHA (Federal Housing Administration), VA (Veterans Administration), or Rural Development Services are available, the down payment requirements may be substantially smaller.
- Ask about the lender’s requirements for a down payment, including what you need to do to verify that funds for your down payment are available.
- Ask your lender about special programs it may offer. If PMI is required for your loan:
 - Ask what the total cost of the insurance will be.
 - Ask how much your monthly payment will be when including the PMI premium.
 - Ask how long you will be required to carry PMI.
- Remember: When buying a home, remember to shop around, to compare costs and terms, and to negotiate for the best deal.
- The Equal Credit Opportunity Act prohibits lenders from discriminating against credit applicants in any aspect of a credit transaction on the basis of race, color, religion, national origin, sex, marital status, age, whether all or part of the applicant’s income comes from a public assistance program, or whether the applicant has in good faith exercised a right under the Consumer Credit Protection Act.
- The Fair Housing Act prohibits discrimination in residential real estate transactions based on race, color, religion, sex, handicap, familial status, or national origin.
- Under these laws, a consumer cannot be refused a loan based on these characteristics nor be charged more for a loan or offered less favorable terms based on such characteristics.

Loan Type	Conventional	FHA	USDA
Minimum Credit Score	620+	580+	640+
Minimum Down Payment	5% (can be homebuyer’s and/or gifted funds)	3.5% (can be homebuyer’s and/or gifted funds)	0%
Maximum Seller Assist	3% (<10% down payment) 6% (>10% down payment)	6%	6%

<p>Mortgage Insurance (MI)</p>	<p>Private Mortgage Insurance (PMI): Dependent on credit score, down payment, loan purpose, and loan term.</p>	<p>Two forms of insurance:</p> <p>1. Upfront Mortgage Insurance Premium (UPMIP): Factored at 1.75% of the base loan amount. Can be financed in the loan.</p> <p>2. Monthly Mortgage Insurance Premium (MIP): Usually factored at 1.35% of the base loan amount.</p>	<p>Two forms of insurance:</p> <p>1. One-time, upfront charge or guarantee fee: Factored at 2% of the base loan amounts. Can be financed with the loan.</p> <p>2. Monthly USDA fee: Factored at 0.50% of the base loan amounts.</p>
<p>Potential Advantages</p>	<ul style="list-style-type: none"> ▪ Typically lower MI costs than FHA loans. ▪ Mortgage insurance can be canceled once 2 years have elapsed AND 20% equity is achieved. ▪ Can use gifted funds for down payment. 	<ul style="list-style-type: none"> ▪ Less money out of pocket. ▪ Lower credit score requirements. ▪ Less stringent income requirements. ▪ Can used gifted funds for down payment. 	<ul style="list-style-type: none"> ▪ Often less expensive MI costs than FHA and conventional loans. ▪ Little to no money out of pocket. ▪ Can used gifted funds to lower the monthly payment.
<p>Potential Disadvantages</p>	<ul style="list-style-type: none"> ▪ More money out of pocket. ▪ Higher credit score requirements. ▪ More stringent income requirements. 	<ul style="list-style-type: none"> ▪ Higher insurance costs than conventional or USDA loans. ▪ MI is included for the life of the loan and cannot be canceled. 	<ul style="list-style-type: none"> ▪ Monthly guarantee fee is included for the life of the loan. ▪ More stringent income requirements. ▪ Only allowed in designated rural areas.



Know Idaho resources

Want advice on buying a home, renting, default, foreclosure avoidance, credit issues or reverse mortgages? HUD sponsors housing counseling agencies throughout the country to provide free or low-cost advice. Search online for a housing counseling agency near you or call HUD's interactive voice system at: (800) 569-4287. (Inclusion of a program is not an endorsement—all housing programs should comply with the FHA and other local, state, and federal laws.)

HOMEOWNERSHIP: IDAHO <https://www.hud.gov/states/idaho/homeownership>

Finally Home! link: www.finallyhome.org

Housing Counseling information link: www.finallyhome.org/en/housing-counseling/

Housing Counseling Locations:

DEBT REDUCTION SERVICES, INC. DBA MONEY FIT
6213 N Cloverdale Rd, Boise, Idaho 83713
Phone: (877) 688-3328

IDAHO HOUSING AND FINANCE ASSOCIATION--IDAHO FALLS BRANCH OFFICE
1235 Jones St, Idaho Falls, Idaho 83401
Phone: (866) 684-3756
Email: housingcounseling@ihfa.org
Website: <http://www.idahohousing.com>

IDAHO HOUSING AND FINANCE ASSOCIATION
565 W Myrtle St, Boise, Idaho 83702
Phone: (877) 695-2655
Email: housingcounseling@ihfa.org
Website: <http://www.idahohousing.com>

IDAHO HOUSING AND FINANCE ASSOCIATION--COEUR D'ALENE BRANCH OFFICE
915 W Canfield Ave, Coeur D Alene, Idaho 83815
Phone: (877) 695-2655
Email: housingcounseling@ihfa.org
Website: <http://www.idahohousing.com>

IDAHO HOUSING AND FINANCE ASSOCIATION--LEWISTON BRANCH OFFICE
2338 Nez Perce Dr, Lewiston, Idaho 83501
Phone: (208) 743-0251
Email: housingcounseling@ihfa.org
Website: <http://www.idahohousing.com>

IDAHO HOUSING AND FINANCE ASSOCIATION--TWIN FALLS BRANCH OFFICE
844 Washington St N Ste 300, Twin Falls, Idaho 83301
Phone: (866) 234-3435
Email: housingcounseling@ihfa.org
Website: <http://www.idahohousing.com>

NEIGHBORHOOD HOUSING SERVICES INC DBA NEIGHBORWORKS BOISE
3380 W Americana Ter Ste 120, Boise, Idaho 83706
Phone: (208) 343-4065
Email: amosgopoulos@nwboise.org
Website: <http://www.nwboise.org>

POCATELLO NEIGHBORHOOD HOUSING SERVICES, INC DBA NEIGHBORWORKS POCATELLO
206 N Arthur Ave, Pocatello, Idaho 83204
Phone: (208) 232-9468
Email: mdahlquist@nwpcatello.org
Website: <https://nwpcatello.org/>

Neighborhood Assistance Corporation of America (NACA is the largest and most effective HUD approved counseling organization providing between 20% and 30% of the total housing counseling in America.)
Phone: (425) 602-6222
Email: services@naca.com
Website: <https://www.naca.com/purchase/>

HOMEOWNERSHIP ASSISTANCE PROGRAMS: IDAHO

Other Programs by Area/Program:

City of Boise: <https://www.cityofboise.org/departments/planning-and-development-services/housing-and-community-development/homeownership-opportunity-program/>

Habitat for Humanity: <https://www.habitat.org/local/affiliate-by-state?state=ID>

Idaho Housing and Finance Association: <https://www.idahohousing.com/homebuyers/home-loans/>

LEAP Housing <https://www.leaphousing.org/homeownership>

Neighborhood Assistance Corporation of America (The NACA Home Purchase program helps thousands achieve the dream of lasting homeownership every year). <https://www.naca.com/purchase/>

NeighborWorks Boise: <https://nwboise.org/>

NeighborWorks Pocatello: <https://nwpcatello.org/>

North Idaho Housing Coalition: <https://www.northidahohousing.org/>

Rural Development Programs and Services: <https://www.rd.usda.gov/programs-services/single-family-housing-programs>

Section 184 Indian Home Loan Guarantee Program:
https://www.hud.gov/program_offices/public_indian_housing/ih/homeownership/184

Southeastern Idaho Community Action Agency: <https://seicaa.org/homeownership/>

Autumn Gold Affordable Housing: <https://autumngold.org/program-information/>

Program Information

Autumn Gold Affordable Housing offers economical homeownership opportunities to qualified individuals and families. These programs offer homeownership assistance to qualified low to moderate-

income participants in the form of down payment and closing cost assistance. Qualified participants will have the opportunity to purchase a newly renovated or newly constructed home. If you have good credit and qualify for a mortgage loan, but need down payment, closing cost or mortgage reduction assistance this program may be a good choice for you.

Note: The down payment and closing costs are only available towards homes that Autumn Gold has for sale. Waitlist potential is 2-3 years.

Program Requirements

- Participants must meet the Income Guidelines as shown in the table below.
- Participants may not own or be on the title for other land, property, or residences at the time of purchase.
- Participants must occupy their newly purchased as their primary residence for 5-20 years, depending on the amount of assistance awarded.
- Participants must complete eight hours of Homebuyer education, including completion of the Finally Home! Homebuyer Education Class either online or in person.
- Participants must make a minimum contribution of 0.5% of the purchase price of their home. This contribution is collected as Earnest Money at the time a Purchase Agreement is signed.
- The amount of assistance provided is at the discretion of the granting agency and is based on the participants' needs.

Home Ownership Assistance is available to assist participants whose documented annual household income is at or below the following HUD Area Median Income (AMI) Limits for the Boise-Nampa MSA. Each Autumn Gold home listed on this site specifies the applicable income limits:

Household Size	50% Income (NSP) Limit (\$)	80% Income (HOME Limit (\$)
1	31,200	49,950
2	35,650	57,050
3	40,100	64,200
4	44,550	71,300
5	48,150	77,050
6	51,700	85,750
7	55,250	88,450

Neighborworks Boise Pocket Neighborhoods™: <https://nwboise.org/single-family-homes/pocket-neighborhoods-by-nwboise/>

Program Overview

Pocket Neighborhoods™ provide opportunities for a wide variety of diversity in homeowners and grew out of the desire by many to move closer to where they work and play. These single-family locations allow buyers to obtain their "American Dream" in a more compact setting within existing neighborhoods, while promoting a sense of community.

Through grants, down payment assistance, shared equity investments, and low-cost mortgages, we work with homebuyers to provide the best housing solutions available. You may be eligible for 100% financing and down payment assistance.

Our newest Pocket Neighborhood™

- Cole Bluff Cottages at Cole and Fairview - Boise, ID
- 39 units
- Expected pricing: starting in the low \$300,000
- Floor plans from one to three stories
- Square footage from 816 to 1,998
- Bedrooms from 2 to 4
- Interested in the Cole Bluff Cottages community?
- Don't wait, contact NeighborWorks® Boise Lending | lending@nwboise.org | 208-258-6211
- No gimmicks, no misleading sales pitches, just honest effort to find a housing solution for you.

Veterans: <https://www.benefits.va.gov/HOMELOANS/>

VA helps Veterans, Servicemembers, and eligible surviving spouses become homeowners. As part of our mission to serve you, we provide a home loan guaranty benefit and other housing-related programs to help you buy, build, repair, retain, or adapt a home for your own personal occupancy.

VA Home Loans are provided by private lenders, such as banks and mortgage companies. VA guarantees a portion of the loan, enabling the lender to provide you with more favorable terms.

Main pillars of the VA home loan benefit:

- No downpayment required (*Note: Lenders may require downpayments for some borrowers using the VA home loan guaranty, but VA does not require a downpayment)
- Competitively low interest rates
- Limited closing costs
- No need for Private Mortgage Insurance (PMI)
- The VA home loan is a lifetime benefit: you can use the guaranty multiple times

DOWNPAYMENT ASSISTANCE (IDAHO):

Good Credit Rewards Program: <https://www.idahohousing.com/homebuyers/down-payment-closing-cost-assistance/>

With its Good Credit Rewards Program, the Idaho Housing and Finance Association provides down payment and closing cost assistance to homebuyers who demonstrate creditworthiness. This assistance can significantly reduce out-of-pocket expenses incurred during the mortgage process.

Sources:

<https://www.consumerfinance.gov/know-before-you-owe/>

<https://www.consumerfinance.gov/>

<https://www.consumerfinance.gov/about-us/blog/using-special-purpose-credit-programs-to-serve-unmet-credit-needs/>

<https://www.fdic.gov/consumers/consumer/interest-only/index.html>

https://www.hud.gov/topics/buying_a_home

<https://www.moneyunder30.com/percentage-income-mortgage-payments/>

<https://www.pinterest.com/IFHCIdaho/home-ownership/>