



LOS ANGELES COUNTY  
**CONSUMER &  
BUSINESS AFFAIRS**

**NEW**  
*New Economics for Women*<sup>®</sup>

**OUR PRESENTATION  
WILL BEGIN AT 2 P.M.**



LOS ANGELES COUNTY  
**CONSUMER &  
BUSINESS AFFAIRS**

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# Avoiding Scams for First-Time Home Buyers



LOS ANGELES COUNTY  
**CONSUMER &  
BUSINESS AFFAIRS**



## **Optimize Your Experience**

(Keep the chat box open  look for this symbol to open it.)

Use the chat box to ask questions.

Questions will be answered during the webinar or at the end during  
the Q & A period.

# Our Mission



LOS ANGELES COUNTY  
**CONSUMER &  
BUSINESS AFFAIRS**

*“To promote a fair and vibrant marketplace, we serve consumers, businesses, and communities through education, advocacy, and complaint resolution.”*

**Serving Los Angeles County consumers and businesses since 1976**

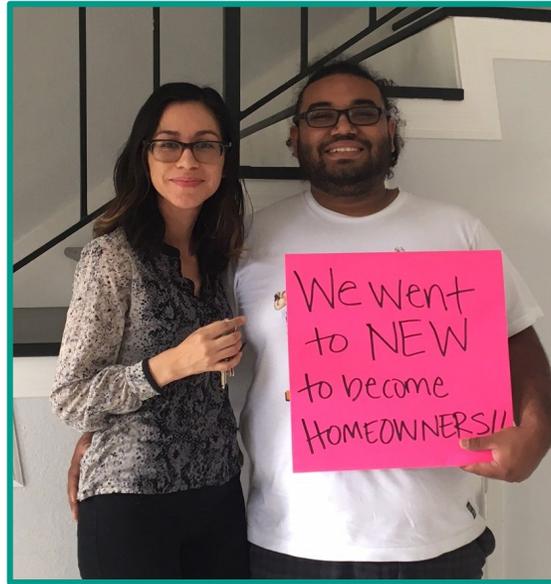
# Agenda

- ▶ Understanding Credit
- ▶ Shopping and qualifying for a mortgage
- ▶ Finding your home and making an offer
- ▶ Signing documents and closing escrow



NEW

*New Economics for Women*®



**Homeownership Program**

# Programs & Services

- **Free Home Buying Education**
  - HUD Approved Homebuyer Education Workshops
    - <https://www.eventbrite.com/o/new-economics-for-women-14982030195>
  - Online & in person
  - City & County approved certificate
- **Free One-On One Counseling**
  - Mortgage readiness
  - Financial Coaching
  - Light foreclosure prevention
  - Phone & in person

# Getting Mortgage Ready

## What Do Lenders Look At?

### Income

- You need income to qualify
- Income determines how much you can buy

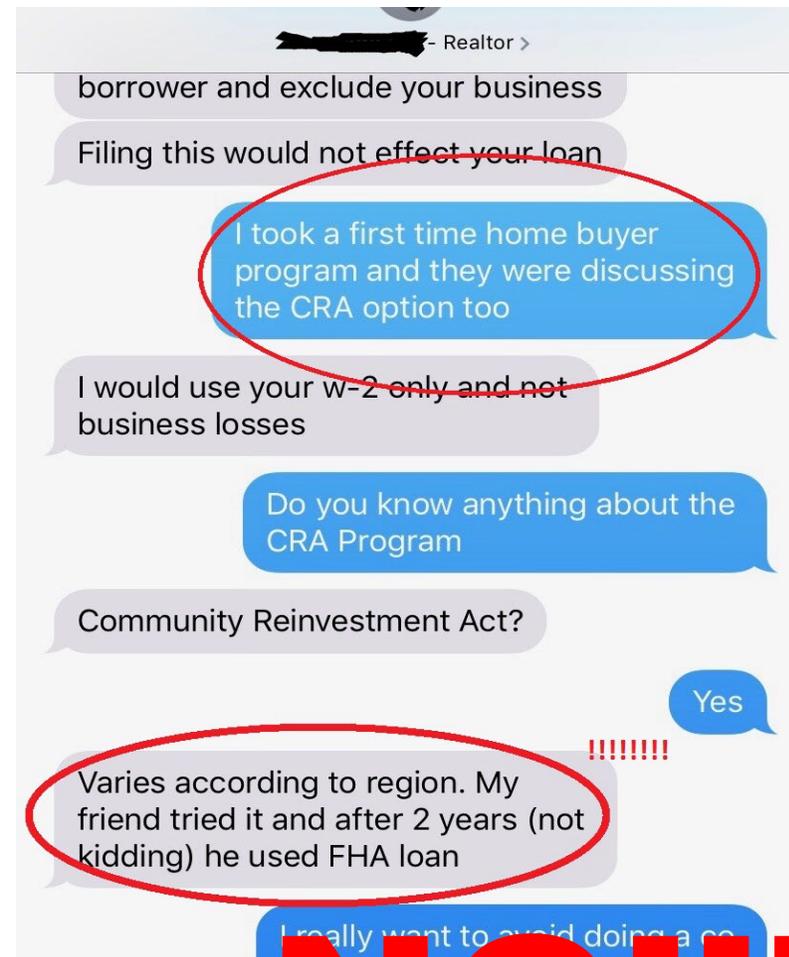
### Savings

- Money for down payment\*
- Money for closing costs\*
- Money for reserves \*

### Credit

- Credit history/responsible credit use
- Debt will impact how much you qualify for

# Why Homebuyer Education?



**NO!!!**

**NO!!!**

# “Fix Your Credit in 24 hours!”



# Finding a Home

## ▶ Factors to consider

### ▶ Location

- ▶ Urban vs. Suburban
- ▶ Proximity to job
- ▶ Schools

### ▶ Type

- ▶ Single Family, Multi-Family, Townhome, Condominium,
- ▶ Local ordinances

## ▶ Self Representation

## ▶ Hiring an Agent

- ▶ Check License on California Department of Real Estate
  - ▶ [www.dre.ca.gov](http://www.dre.ca.gov)
- ▶ Agent representing both parties

# Finding a Home - Things to look out for

## For Sale by Owner (FSBO)

- ▶ The owner may not make all the necessary disclosures
- ▶ Down payment - Set up an escrow account; do not simply give the money to the seller

## Clear title

- ▶ Check for any pending liens, judgements, bankruptcies

## Repairs

- ▶ Hire a professional home inspection service
- ▶ Contact local Building and Safety office to make sure any room additions have building permits

## Properties in Foreclosure

- ▶ Unforeseen repairs
- ▶ Short sales

# Mortgages

## ▶ Types of Mortgages

- ▶ Conventional

- ▶ FHA

  - ▶ Down Payment

    - ▶ Affects the type of mortgage

- ▶ CRA

  - ▶ Alternative to FHA

- ▶ Adjustable Rate Mortgage

  - ▶ Maybe not for your first home

- ▶ Second Mortgages

  - ▶ Can be found in some down payment assistance programs

# Mortgages - Scams

**Predatory lending** is any kind of financial lending that convinces a borrower to accept unfair terms through coercion and deception.

BEWARE:

- Lenders that don't tell you about lower rate loans you may qualify for
- Balloon payments that have a large payment due in one lump sum at the end of the loan
- Pressures you to act quickly without giving you time to think about the rate
- Pressure from the lender for you to take on a rate higher than you feel you want to pay or can afford
- Encourage borrowers to lie about their income, expenses, or cash available for down payments in order to get a loan

**Straw-Borrowers** - Also known as a “nominee borrower”, is an individual whose name, social security number, and credit history are used to hide the identity of the actual borrower. It is illegal to use a straw-buyer.

# Making an Offer

- ▶ Offer to purchase the home
- ▶ Counter-offers
- ▶ Signing a purchase agreement and opening escrow
  - ▶ Deposit
    - ▶ May not be refundable if buyer fails to close escrow
- ▶ Negotiate closing cost and other fees
- ▶ Inspections
  - ▶ Physical, Termites

# Making an Offer - Scams

Mortgage phishing scam - Scammer that uses fake email, phone numbers or websites to impersonate someone you trust

- ▶ How to avoid it
  - Know your closing process
  - Write down contact information
  - Beware of last minute closing changes
  - Call to confirm any wiring instructions
  - Never email your financial information
  - Be wary of phone conversations

Addendums - It is an additional document that gets added to the purchase and sale agreement.

- ▶ Read every page of the contract before you sign



# Contact

## IN PERSON

### *Headquarters*

500 W. Temple St. B-96  
Los Angeles, CA 90012

### *Satellite Office*

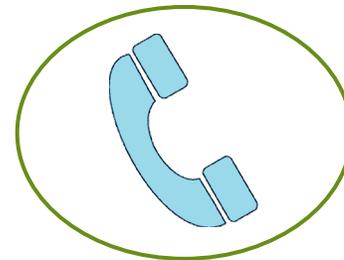
1000 S. Fremont Avenue  
Building A-9 East, 1<sup>st</sup> Floor  
Alhambra, CA 91803

*No appointment needed*

## BY PHONE

### Consumer Services

**(800) 593-8222**



*Multilingual Staff Available*

# Contact



[www.neweconomicsforwomen.org](http://www.neweconomicsforwomen.org)

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# Questions ?

