



Are you Ready For **Your** Home



About us



The only credit union headquartered and doing business solely in Central Oregon.

Mid Oregon Credit Union traces its roots back to [1957](#) as the first credit union established in Central Oregon by a group of teachers and school employees in Prineville.

MidOregon Credit Union
good friends. great service.

Meet Your **MidOregon** Team



- Michael Smith
- Mortgage Director
- NMLS #1450211



- Dina Bliss
- Mortgage Loan Officer
- NMLS #1023889



- Jenny Vessey
- Mortgage Loan Officer
- NMLS #476824



Discussion Topics

Today's Market

Interest rates, appreciation, inventory, the economy and how it all affects mortgages and homeownership.

When should I buy a house?

Buying a house is a major decision. How do you know when you should buy or rent a home?

When should I work with a mortgage lender?

Start your conversation today. Knowing what you will need and what you can afford is the key to moving into your home.

Partnering with a Realtor

The benefits of a buyer's Agent.



Today's Market

Are we heading into a recession?

When are rates coming down?

What is the housing inventory?

Market overview

Leading Indicators for a Recession

- The Fed raises rates
 - 7 times in 2022
 - 1 time in 2023
 - Currently 4.50-4.75
 - Target is 5.00-5.25
- Unemployment < 4%
 - 3.5% as of Dec 2022
 - 3.4% as of Jan 2023
- Leading Economic Index (LEI) falls
 - Down 3.8% Jun - Dec

Are Rates Coming Down?

MARKET RATE INDICES



Market Index	Current Rate	1-Day Delta	7-Day Delta	4-Week Delta
30 YR Conforming	6.37%	(11 bps)	(12 bps)	0 bps
30 YR Jumbo	6.43%	(20 bps)	(8 bps)	5 bps
30 YR FHA	6.33%	(9 bps)	(10 bps)	2 bps
30 YR VA	6.06%	(19 bps)	(24 bps)	(1 bps)

Rates peaked in Oct-Nov 2022
Should continue to come down

Housing Inventory

- Housing inventory is rising nationally
 - Deschutes decreased 4.6% Nov-Dec
- 2023 should see a shift to more of a buyers market by summer
- Nationally, the market is undersupplied by about 5.2 million homes. We need 1.7 million homes built annually and if we don't, appreciation will continue to grow

When to Buy...

Reliable Income

2-year history in same line of work

Documentation may include W-2, pay stubs, or tax returns

Debt-to-Income

The ratio used to determine how much to lend.

Typically, 45-50% is the maximum.

Steady Lifestyle

Your debt is under control

Your credit is on the rise

You have money for a down payment

Understand the Cost

Not just the house payment

Insurance, property taxes, closing costs, utilities, maintenance....



Financing Options

Conventional

Fannie / Freddie loans

20% down eliminates PMI, but can be as little as 3.5%

Conforming up to \$726,200

Construction

Typically, Portfolio Lenders

Buy a lot

Hire a Builder

Find a manufactured home

Government

FHA – 3.5% down

VA – 100% financing options

USDA – 100% options

DPA Programs – Oregon.Gov

Gifts

Largest expense is usually down payment and closing costs.

Gifts from family members or seller credits help minimize funds needed at closing





Down Payment Solutions

Current (liquid) Assets

From existing checking or savings accounts

Selling assets (cars, RV, motorcycles)

Investment Assets

Loans against your IRA/401k

Liquidating (selling) other investments

Gifts

Transfers of cash from family members

Transfers of equity

Non-Profit Agencies

Neighbor Impact, Housing Works, Oregon.Gov DPA programs

Matched Savings Plans



Choosing a Lender

When should I start?

As soon as you are thinking about buying a home.

The best time is before you start looking.

Where do I start?

Find someone you can trust and who knows your community.

Look to get qualified to determine how much to borrow

What if my credit is bad?

Work with your lender to identify solutions and timelines.

The better your credit, the more options you will have

- Take care of issues before looking for a home
- Make your payments
- Consolidate debt to minimize monthly expenses



Realtor Partners

What is a Buyers Agent?

A good buyer's agent can act as a guide on your homebuying journey. They will not only identify and show you properties but will strategize and help negotiate competitive offers on your behalf.

And it's free... you don't pay them anything; their compensation comes from the seller.

What if I don't know a Realtor?

Just ask your lender. In most cases, they will have several business relationships and can provide you a few agents to interview before you decide who to work with



Mortgage Language

LTV (Loan to Value)

DTI (Debt to Income)

Down Payment

FICO Scores

Closing Costs – prepaids, escrows

PMI (Private Mortgage Insurance)

PITIA (Principle, Interest, Taxes, Insurance, Association)

LE (Loan Estimate)

CD (Closing Disclosure)

APR (Annual Percentage Rate)

Escrow and Title

Closing Date vs Funding Date



Summary

- Understand today's market to better prepare you for your own homeownership journey
- Educate yourself about mortgage terms and requirements
- Recognize the value of working with mortgage professionals



Thank you

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