

Adulting

Real Estate

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About me

- #1 Agent in HF for several years
- Been in Real Estate 8 years
- Bought, Sold, Rented, Renovated and Built homes prior.
- Come from a long line of average people who used real estate as part of their investment portfolio.

About YOU

What's your current living situation?

Where do you see yourself in 3 years?

Do you know your credit score?

What are things you buy regularly.
Coffee? Door Dash?

Reasons to Own instead of Rent

Equity Building: When you own a home and make mortgage payments, you're gradually building equity in the property. Unlike renting, where your monthly payments contribute solely to the landlord's income, homeownership allows you to invest in an asset that may appreciate over time.

Stability and Control: Owning a home provides stability and a sense of control over your living situation. You're not subject to potential rent increases or the whims of landlords who may decide to sell or change rental terms. Homeownership offers the opportunity to customize your space, make improvements, and establish deeper roots in a community.

Potential Tax Benefits: Homeownership often comes with tax advantages. Mortgage interest and property tax payments may be deductible, reducing your taxable income. Additionally, if you sell your home for a profit, you may qualify for capital gains exclusions under certain conditions, further reducing your tax burden.

Long-Term Investment: Real estate has historically been a reliable long-term investment. While housing markets can fluctuate, owning a home can provide potential appreciation over time, allowing you to build wealth. Additionally, homeownership offers the potential for rental income if you decide to rent out a portion of your property.

Reasons to RENT and not buy

Flexibility: Renting provides greater flexibility compared to homeownership. When you rent, you're not tied down to a specific property for an extended period. This flexibility can be advantageous for individuals who anticipate changes in their living situation, such as job relocations, relationship changes, or lifestyle preferences. Renting allows you to easily move without the responsibilities and potential financial implications of selling a home.

Lower Upfront Costs: Renting typically requires lower upfront costs compared to buying a home. While homeownership involves substantial expenses such as a down payment, closing costs, and ongoing maintenance expenses, renting usually requires a security deposit and possibly the first month's rent. Renting allows individuals to allocate their financial resources elsewhere or save for other goals without the initial financial burden of homeownership.

Limited Financial Responsibility: Renting generally entails fewer financial responsibilities compared to homeownership. When you rent, you're not responsible for major repairs or maintenance costs associated with the property. Landlords typically handle these tasks, alleviating tenants of the financial burden and time commitment required for home maintenance. Additionally, renters may have predictable monthly housing expenses, as rent increases are often regulated by lease agreements, providing greater budgeting stability.

Multi-units – House Hacking

□ 75 W 15th St, Chicago Heights, IL 60411

\$274,900



<< 1 of 16 >>

Two to Four Units

Status: **ACTV**
Area: **411**
Address: **75 W 15th St, Chicago Heights, IL 60411**
Directions: **RT 30 TO CHICAGO RD SOUTH TO 15TH ST WEST TO PROPERTY.**
Sold by:
Closed:
Off Mkt:
Year Built: **1925**
Dimensions: **50X125**
Ownership: **Fee Simple**
Corp Limits: **Chicago Heights**
Coordinates: **S:25 W:2**
Acreage:

Total Rooms: **17**

Total Bedrooms: **8**

Mobility Score: **- ?**

MLS #: **11982248**
List Date: **02/14/2024**
List Dt Rec: **02/15/2024**

Contract:
Financing:
Blt Before 78: **Yes**

Subdivision:
Township: **Bloom**

Total Units: **3**

Total Baths: **3/0**
(Full/Half):
Basement: **Full**

List Price: **\$274,900**
Orig List Price: **\$274,900**
Sold Price:
Contingency Flag:

Mkt. Time (Lst./Tot.): **53/53**

Concessions:
Contingency:
County: **Cook**
Model:
Parking: **Exterior Space(s)**
Spaces: **Ext:4**
Parking Incl. **Yes**
In Price:
3 BR Unit: **No**

Zoning: **Multi-Family**
Waterfront: **No**

Remarks: **AWESOME BRICK 3 UNIT. IT HAS 2-2 BEDROOMS AND 1-4 BEDROOM. UNIT 1 IS RENTED AT \$1100/MONTH UNIT 2 IS RENTED AT \$1250 AND UNIT 3 IS RENTED AT \$1365. EACH UNIT HAS ITS OWN FURNACE AND CENTRAL AC. ALL UNITS HAVE HARDWOOD FLOORS AND HAVE RECENTLY BEEN REFINISHED. THIS IS A GREAT TURN KEY INVESTMENT PROPERTY THAT IS PROFESIONALLY MANAGED.**

FHA – owner occupied

Max LTV 96.5% Max DTI = ~ 55%

But, must pass the FHA self-sufficiency test – max mortgage payment must be equal to or less than 75% of total rental income including the owner occupied unit or \$2748

Down payment \$9621, fico 680, rate 6.625%

How much do you need to put down?

20%

10%

3.5%

1%

Rental...



Residential Rental

Status:	RNTD	MLS #:	11940675	Rent Price:	\$2,300
Area:	430	List Date:	12/01/2023	Orig Rent Price:	\$2,300
Address:	18405 Riegel Rd , Homewood, IL 60430	List Dt Rec:	12/03/2023	Rented Price:	\$2,300
Directions:	183rd to Riegel Road South to property.				
Rented:	12/15/2023	Financing:		Lst. Mkt. Time:	12
Off Mkt:	12/12/2023	Built B4 78:	Yes	Contingency:	
Year Built:	1955	Model:		Curr. Leased:	
Dimensions:	52X130X51X119	Township:	Bloom	Lease Expires:	
Subdivision:	Homewood	Bathrooms (Full/Half):	1/1	County:	Cook
Corp Limits:		Master Bath:	None	# Fireplaces:	
Coordinates:		Bmt Bath:	No	Parking:	Garage
Rooms:	6	Board Approval:		# Spaces:	Gar:1
Bedrooms:	3	# Days for Bd Apprvl:		Parking Incl.	Y
Basement:	None	Furnished Rate:		In Price:	
Total Units:				Waterfront:	No
Unit Floor Lvl.:				Appx SF:	1261
# Stories:				SF Source:	Assessor
Avail Furnished?:				Bldg. Assess. SF:	
				Short Term Lease?:	
				Short Term Rate:	
				Security Deposit:	2300
				3)	

**20%
down***



Asking Price:
\$280,000
Year Built:
1954

Bedrooms:
3
Square Feet (approx):
1079

Bathrooms:
2 Full
Lot Size:
59 x 128

CUTE AS A BUTTON! Wonderful ranch home - with updated everything! The owners of this home have transformed it over the time they've lived there and replaced or updated everything in the process! A neat and tidy layout, living room, and separate dining room - all with hardwood floors - 3 bedrooms, with either hardwood, or hardwood under carpet and a bath upstairs, and a full finished basement with recreation room, awesome mancave bar area, laundry, great storage and another full bath! 2 car detached garage, nice yard, and convenient location! Recently replaced roof, a/c, dishwasher and added insulation in the walls too - super cozy! Taxes under \$5000 with just homeowner's exemption!!

	<u>30 Year Fixed</u>	<u>30 Yr 1 Pt</u>	<u>30 Year Fixed FHA</u>	<u>30 Yr 1st Time Buyer</u>	<u>15 Year Fixed</u>	<u>VA</u>
Loan Amount:	\$224,000	\$224,000	\$274,929	\$271,600	\$224,000	\$286,020
Down Payment:	\$56,000	\$56,000	\$9,800	\$8,400	\$56,000	\$0
Term (Months):	360	360	360	360	180	360
Interest Rate:	7.000%	6.625%	6.625%	6.625%	6.750%	6.500%
APR:	7.083%	6.803%	7.417%	6.704%	6.881%	6.775%
Points:	0	1	0	0	0	0
Principal & Interest:	\$1,490	\$1,434	\$1,760 ^{^*}	\$1,739	\$1,982	\$1,808
Property Taxes:	\$380	\$380	\$380	\$380	\$380	\$380
Homeowners Insurance:	\$77	\$77	\$77	\$77	\$77	\$77
HOA/Dues/Fees:	\$0	\$0	\$0	\$0	\$0	\$0
MI:	\$0	\$0	\$123	\$158	\$0	\$0
Total Payment*:	\$1,947	\$1,891	\$2,340 ^{^*}	\$2,354	\$2,439	\$2,265

5% down



Asking Price:
\$280,000
Year Built:
1954

Bedrooms:
3
Square Feet (approx):
1079

Bathrooms:
2 Full
Lot Size:
59 x 128

CUTE AS A BUTTON! Wonderful ranch home - with updated everything! The owners of this home have transformed it over the time they've lived there and replaced or updated everything in the process! A neat and tidy layout, living room, and separate dining room - all with hardwood floors - 3 bedrooms, with either hardwood, or hardwood under carpet and a bath upstairs, and a full finished basement with recreation room, awesome mancave bar area, laundry, great storage and another full bath! 2 car detached garage, nice yard, and convenient location! Recently replaced roof, a/c, dishwasher and added insulation in the walls too - super cozy! Taxes under \$5000 with just homeowner's exemption!!

	<u>30 Year Fixed</u>	<u>30 Yr 1 Pt</u>	<u>30 Year Fixed FHA</u>	<u>30 Yr 1st Time Buyer</u>	<u>15 Year Fixed</u>	<u>VA</u>
Loan Amount:	\$266,000	\$266,000	\$270,655	\$266,000	\$266,000	\$269,990
Down Payment:	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Term (Months):	360	360	360	360	180	360
Interest Rate:	7.000%	6.625%	6.625%	6.625%	6.750%	6.500%
APR:	7.474%	7.194%	7.417%	7.091%	7.115%	6.715%
Points:	0	1	0	0	0	0
Principal & Interest:	\$1,770	\$1,703	\$1,733 ^{^^}	\$1,703	\$2,354	\$1,707
Property Taxes:	\$380	\$380	\$380	\$380	\$380	\$380
Homeowners Insurance:	\$77	\$77	\$77	\$77	\$77	\$77
HOA/Dues/Fees:	\$0	\$0	\$0	\$0	\$0	\$0
PMI:	\$117	\$117	\$121	\$117	\$95	\$0
Total Payment [*] :	\$2,344	\$2,277	\$2,311 ^{^^}	\$2,277	\$2,906	\$2,164



CONVENTIONAL VS. FHA:

WHICH LOAN IS RIGHT FOR YOU?

When you're in the process of buying a home, getting familiar with your loan options can help you make an educated decision on what type is right for you.

Let's explore two of the more common loans, conventional and FHA:

CONVENTIONAL LOANS

Conventional loans aren't insured or guaranteed by a government agency, but rather by private lenders. You'll need a higher credit score and a lower debt-to-income ratio. People who choose conventional loans typically make a higher down payment to avoid paying private mortgage insurance (PMI), but putting 20% down isn't required.

FHA LOANS

FHA loans are government-backed and insured by the Federal Housing Administration. These loans only require a 3.5% down payment, and you can have a credit score as low as 580, in some cases. In general, it's easier to receive an FHA loan, meaning you may qualify with debt or a lower credit score. Even those with a bankruptcy on their record may be eligible.

WHICH LOAN IS RIGHT FOR YOU?

Choosing a loan that's right for you means analyzing different aspects of your financial situation. For example: an FHA loan might be the better option if you have a lower credit score or a large amount of debt. On the other hand, a conventional loan is a great option if you have a solid credit score or want to avoid paying PMI by making a 20% (or higher) down payment.

A mix of your credit score, debt-to-income ratio and down payment funds are three of the main aspects that determine which loan makes sense for you. If you're thinking about buying a home or have additional questions about your loan options, [reach out to us today!](#)

Two Key Numbers

FICO

Think of FICO like a report card for your finances. It takes into account things like how consistently you pay your bills on time, how much debt you have, and how long you've been using credit. The higher your FICO score, the better. When you apply for a mortgage, lenders look at your FICO score to decide if they should give you a loan, and what interest rate to offer you. Generally, the higher your FICO score, the lower your interest rate will be, which can save you money over the life of your mortgage. So, having a good FICO score can make it easier and cheaper to get a mortgage.

Debt to Income

Your Debt-to-Income ratio for a mortgage is like a financial health check-up. It shows how much of your monthly income is already committed to paying debts, like credit card bills, car loans, and student loans, compared to how much money you make before taxes. Lenders use this ratio to decide if you can afford to take on more debt with a mortgage. The lower your DTI ratio, the better, because it means you have more room in your budget to comfortably handle a mortgage payment.

Things to do to improve Credit Score

Pay bills on time: Payment history is a significant factor in determining credit scores. Young people should ensure they pay all bills, including credit card bills, student loans, and utility bills, on time every month.

Keep credit card balances low: Maintaining a low credit card balance relative to the credit limit demonstrates responsible credit usage. It's generally recommended to keep credit card balances below 30% of the credit limit.

Regularly monitor credit reports: Young people should monitor their credit reports regularly to check for inaccuracies or fraudulent activity. This allows them to address any issues promptly and ensure their credit reports accurately reflect their financial behavior.

Avoid opening too many accounts: Opening multiple new credit accounts within a short period can negatively impact credit scores. Young individuals should be cautious about applying for new credit cards or loans unless necessary.

Establish a mix of credit: Having a diverse mix of credit accounts, such as credit cards, student loans, and auto loans, can positively impact credit scores. However, it's essential to manage these accounts responsibly and avoid taking on more debt than necessary.

Why you should USE a Realtor

Expertise and Knowledge: Realtors are professionals with in-depth knowledge of the local real estate market. They can provide valuable insights into neighborhoods, property values, market trends, and the home buying process, and put you in contact with trusted professionals to help with every step of the process.

Access to Listings: Realtors have access to a wide range of listings through multiple listing services (MLS) and professional networks. They can help you find properties that meet your specific criteria, including those that may not be readily available to the public. Realtors can save you time and effort by narrowing down your search and showing you homes that align with your preferences and budget.

Negotiation Skills: Buying a home involves negotiation, and realtors are skilled negotiators who can advocate on your behalf. They can help you craft competitive offers, negotiate favorable terms, and navigate counter offers from sellers. Realtors understand the intricacies of real estate contracts and can protect your interests. As the way real estate is changing, now it is more important than ever to have a seasoned professional working for you.

Guidance and Support: Purchasing a home can be a complex and overwhelming process, especially for first-time buyers. Realtors provide guidance and support every step of the way, from helping you get pre-approved for a mortgage to coordinating inspections and closing paperwork. They can answer your questions, address concerns, and provide reassurance during what can be a stressful time.

Tips from a top lender



CORBY MORTGAGE

INTEGRITY · TRUST · DILIGENCE

1. **Do pay all your credit cards** and any other debt on time.
2. **Do factor in your lifestyle.** A lender will give you a range that includes the top end of how much home you can afford. That number is based on your current expenses, not the future.
3. **Don't omit or exaggerate information on your application.** Always be truthful throughout the process.
4. **Don't buy a vehicle,** even if you are paying cash.
5. **Do provide any documentation** your Loan Originator asks for in a timely manner.
6. **Do keep your money right where it is.** Changing banks or moving money will require explanation.
7. **Do explore your mortgage options.**
8. **Don't take on any new debt.**
9. **Do check your credit score** to help you determine your financing options.
10. **Do make sure you know what home you want and where you want to live** — geography is everything.



Equal Housing Lender

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