

Finding Your Way Home:

A Story of Home Ownership

By Brent Sute

A Special Gift For: _____

From: _____

Date: _____

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FIRST EDITION

Acknowledgements

There are many people who have inspired me to write this book. First and foremost, I'd like to thank my clients, many of whom are first time home buyers, for allowing me to assist them in achieving their homeownership dreams. It is their personal stories that have driven me to do what I do for a living and to write this book to give hope to others who would like to become home owners.

My wife Kellie, whom I love dearly, has been there with me for the past 10 years and is not only a wonderful wife, but an awesome mother to our 5 kids, Jordan, Hunter, Carson, Conner, and Allie Grace.

To my mother, mother-in-law, and brothers: I love you.

Thank you to the many Realtors in Tuscaloosa, AL. Your hard work and dedication make the possibility of home ownership possible for thousands of families per year.

There are many people who have coached, encouraged, and inspired me before and during the writing of this book. You know who you are. A special word of thanks goes out to Tim Davis who coached me during the writing of the book.

A special thank you goes out to my editor, Sara Margaret Cates.

Dedication

This book is dedicated to the memory of my favorite real estate agent, my dad, William “Bill” Sute. I love and miss you very much, Dad.

Cover Picture

The cover picture was taken at 6:00 a.m. Thanksgiving morning at my parent’s home in Foley, AL. The sun rise woke me up and I immediately went outside and captured the image.

Forward

It was late 2003 and I had been invited to share my business success and strategies with a large gathering of loan officers at the industry's premiere sales and training event. Let me remind you that 2003 was characterized by historically low mortgage rates, sky rocketing home values and aggressive underwriting guidelines. This created an abundance of toxic loan programs, homeowners using their equity like ATMs and inexperienced loan officers earning hundred of thousands of dollars in annual income. It all seemed too good to be true...and as you know, it ultimately was.

I addressed the crowd that day immediately following a gentleman who outlined his strategy on how to double or even triple personal profits by charging the consumer more. His presentation was followed by a roaring applause and many hoots from the "eager to earn more money" audience. I can still feel the lump I had in my throat that day as I addressed the mortgage industry's top producers with a very different type of business strategy.

I was raised on the Golden Rule: "*Do unto others as you would have them do unto you.*" I may have learned this simple rule in Sunday school as a child but I believed it had value in all of life's applications...yes, even in business. At the end of my "*People before Profits*" presentation I was stunned by the crowd's reaction...most of the 2,200 loan officers in the room were clapping and standing on their feet. Before I left the stage I challenged

the audience to make a difference and join me in transforming the mortgage industry.

The result of that event was the founding of Lenders Who Care (LWC), a non-profit trade association focused on consumer education and promoting positive change in the mortgage industry. It was through LWC that I was blessed to meet this book's author, Brent Sute. In my many years in the mortgage industry, I had never met a more compassionate and caring loan officer. Brent was committed to consumer education and advocacy and shared my concern for the direction the mortgage industry was headed.

At first glance, *"Finding Your Way Home, A Story of Homeownership"*, is a touching tale of a family's search to achieve the American Dream. However, this little book provides more education than many of the "how to" books on the shelves today. You will learn the appropriate steps to follow to obtain and maintain affordable homeownership and be cognizant of the possible pitfalls involved in buying your first home.

Brent's brilliant approach to consumer education is both refreshing and inspiring. This book is a "must read" for all first-time home buyers or anyone who wants to better understand the home buying process.

Julie Miller
Founder and President, Lender Who Care

Introduction

What is it about owning a home that strikes such a chord in most people in our country? After all, it is the “American Dream” right? Well, for many people the American dream seems so far away. My intention in writing this book is to let people know that the American Dream may not be as far away as you think.

As I write this in December, 2009, our country is coming out of the “Great Recession”. Nowhere has the recession been harder felt than in the housing market. Millions of Americans have lost their homes and perhaps lost hope. Home prices have fallen across the country and the media tends to paint a dim picture.

I’m here to tell you that there has never been a better time to buy a home than right now! Home prices have come down, yes, but the way I see it, they are on sale. Interest rates have fallen and remain at historic lows. The government is even giving further incentives to consumers to buy homes through tax breaks. Yes, it is a great time to buy.

So, why aren't more people taking the leap of faith into buying a home? It's simple: FEAR; False Expectations Appearing Real. The media has told us all of the reasons not to buy a home, including the fact that you may lose your job. Well, with some good financial planning and a strategic approach to purchasing a house, your dream of owning a house CAN happen while keeping risks to a minimum.

This book is here to answer some of the most common questions, address many of the objections, and remove much of the fear that I see from first time home buyers. Yes, it is possible for you to buy your first home. Go for it!

Brent Sute

December 26, 2009

Chapter 1

Marsha Myles had just finished her rounds at Rockbridge General Hospital. As she was entering her report into the station computer, her friend and fellow nurse Tracy came up to her.

“Marsha, would you do me a huge favor?”

Marsha replied, “Sure, what is it?”

“Well, I’ve got to pick the kids up from after care early today. Colton has an early ballgame and I don’t want him to be late. Would you mind checking on Mrs. Richardson in room 388?” Tracy asked.

“Sure. No problem, Tracy. You go on and get Colton to the ball park. I’ll check on her.” Marsha said.

As Marsha went into room 388, Mrs. Richardson looked up for a split second and went back to reading her book of short stories by Mark Twain.

“Mrs. Richardson, Tracy had to leave a little early and asked me to check on you. Is there anything I can get for you?” Marsha asked.

A couple of seconds went by and Mrs. Richardson put the book on her tray table and replied, “No, I don’t

think so.” Marsha came over and took note of the numbers on Mrs. Richardson’s monitoring equipment. “What’s your name?” The elderly lady asked.

“My name is Marsha.”

“Marsha, I’m an old lady, and I’m not sure how long the good Lord will have me around this place. But, you look like you have lots of good years ahead of you. Can I just offer one little piece of advice?”

“Sure,” Marsha replied without really thinking about it.

“I’m reading this Mark Twain book and he said something here that got me thinking.

“Twain said, ‘Twenty years from now you will be more disappointed by the things that you didn’t do than by the ones you did do. So throw off your bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.’”

Marsha stopped what she was doing and started thinking. She didn’t say a word, just listened to the patient.

“Marsha, whatever you do, don’t stop dreaming. Don’t stop short of your goals. When you are old like me

and looking back on your life, sweetie, please don't have any regrets. Step outside of your comfort zone and go for it. Whatever your goals, dreams, or aspirations are, just go for it. When faced with a decision of playing it safe or pursuing your dreams, don't think twice. *Go for it.*"

Marsha looked Mrs. Richardson directly in the eye and said, "Thank you. There are some big things I'd really like to do for my kids and me, but it just seems so hard to let go of what is safe. I mean, it is really scary and I don't want to make the wrong decision."

Mrs. Richardson gave a wise smile, held Marsha by the hand and said, "Marsha, what's safe isn't always what's best. A man named James Thurber once said, and I'll never forget it, '*Too many people are thinking of security instead of opportunity. They seem to be more afraid of life than death.*'" With those words still ringing in her ears, Marsha finished her visit.

Marsha Myles left work but couldn't stop thinking about what Mrs. Richardson had said. What Marsha didn't tell her patient was that she had a dream of buying a new home. In fact, there was one house in particular in which she could envision raising her family. She drove straight to the house

after leaving the hospital. This had become a common occurrence over the course of the last few months. For some reason, she would always just keep on driving by. She found herself doing this on regular basis, whether she was leaving work, going to the store or coming home from church.

The house wasn't big. It wasn't new, but wasn't particularly old, either. The house had three bedrooms and two baths. It was pretty red brick with white trim. The yard was nice and had a fence in the back. In one corner was a dog house (oh how the kids wanted a dog), and in the other corner was a tree house and swing set. The house on Juniper Street was within her children's school district and in a relatively safe neighborhood in the town of Rockbridge. There were always lots of kids playing in the yards and riding their bikes to and from the park on the other side of the neighborhood. Even though the home wasn't glamorous or particularly fancy, it had a special quality that hit close to the heart of Marsha.

Maybe it was the idea of giving her kids a better life. Perhaps she wanted to feel safer. Was it that she needed more room or just wanted to have a garden? Or, could it be that her parents never owned their own home and there was just something that gave her the dream of taking the step that they

never dreamed was possible. As Marsha drove slowly by she realized that her dreams were rooted in all of these things.

That evening, Marsha was flipping through the “Showcase of Homes” booklet that listed all of the local real estate for sale. She came across the listing for the home on Juniper Street. The sales price was \$130,000.

Marsha Myles’ background was not uncommon. A 27 year-old single mother of two, her ex-husband had left her shortly after the birth of their youngest daughter. She was bound and determined to provide her children with a life that they could enjoy. Marsha had a very strong faith in God and had always known that all things were possible for those that love Him. However, Marsha’s belief in her ability to provide for her young family would come and go with the whispering of the wind.

Her dreams were often interrupted with a voice that said, “Why does it have to be so difficult?” Her ambitions were met head on with adversities just at the time it seemed like she was about to break free. Her hopes were frequently dashed by the realization that money was just too tight, and there was no one out there to help her. She could only count on herself.

So, here she was again. It was March 25 and she was faced with the decision once more. The envelope from Mr. Washington of Stevens Property Management sat on her counter. Without even opening it, she knew what was inside. It was the same thing that arrived every March – her new lease agreement for the coming year.

After getting the kids fed, bathed and in the bed, she picked up the envelope and opened it. Sure enough, it was a new lease agreement. This year, however, there was a letter attached. It read:



Feeling defeated once again, she took a pen off of the counter to sign the new lease. Sure, she'd love to have the house on Juniper Street, but who was she kidding? There were a hundred reasons this wasn't reasonable, including the fact that she couldn't afford the payments, what credit she had was messed up from the divorce and she didn't have a down payment. Yes, it was evident. She was destined to rent for the rest of her life and become subject to the grouchy and all-business landlord she loved to hate.

“Well, I guess I'll get this over with,” she sighed to herself. She had begun to put pen to paper when the phone rang.

Chapter 2

The caller ID read, “Rosalyn McGee.” It was her sister Rosie.

“Hello”, Marsha said.

“Hi sis, what are you doing?” Rosie replied.

“Nothing much. Just got the kids down and I’m sitting here about to sign my new lease. Do you know that Mr. Washington had the nerve to raise my rent to \$725 per month? How am I going to afford \$50 more per month? Does he think I’m made out of money?”

Rosie said loudly, “\$725 per month! That’s crazy. I know the good Lord has given you a roof over your head, but that seems kind of high for a 2 bedroom apartment! Heck, for that much, you could almost get a house!”

Marsha interrupted, “PLEASE! Let’s don’t talk about this again. How many times have I told you that I can’t buy a house of my own! I have no choice but to rent. That is what Mr. Watson at the bank said and that’s what that mortgage broker from that billboard told me.”

Earlier in the year, Marsha had worked up the nerve to ask her local bank manager, Charlie Watson about getting a home loan. She had figured he was the best one to ask because

banks had all the money, right? Mr. Watson had been nice as always, but had informed Marsha that in order to get a home loan at the bank, she would need at least a 10% down payment. Also, the loan she would get would have a rate of 7% for the first 5 years. After that, *who knew what the rate would be?* He had said something about a balloon. Driving home from the bank that day she had seen a billboard on the main highway for American Mortgage. She had jotted down the phone number while at the red light and as soon as she could find a place to pull over, she had made the call.

The lady who answered the phone was nice enough and referred her to a loan officer named Valerie. Valerie asked a series of questions and told her that there were programs that only required a small down payment called FHA loans. Valerie had taken Marsha's information and told her that she would give her a call back later that day. Five o'clock had come and gone with no call from Valerie. The next day also came and went and the same thing. On the third day, Marsha had gotten the nerve to call Valerie. Valerie apologized and told her that she would not qualify because she needed a credit score of at least 620. Valerie said that Marsha's score was 595

and that if she paid off some collection accounts, she might be able to get a 620 score eventually.

That had been back in January. When Marsha had received her income tax refund, she took \$2,000 and paid off some old medical bills and a credit card that her ex-husband had neglected to pay 5 years earlier.

“I’m *not* going through the humility of being turned down *again!*” Marsha told Rosie as she fought back the tears without success. “I’m just meant to rent and that’s it! I’m going to sign my lease and take it to Mr. Washington tomorrow and be done with it.”

“Marsha, dear,” the older sister said with a sense of understanding. “Please don’t do that just yet. Let’s get together for lunch tomorrow and talk about it. If after talking tomorrow you still want to sign that lease, go ahead and do it. I’ll support you whatever you decide. It’s just that I know how badly you want that house and I think I might be able to help.”

Marsha wiped her eyes and reluctantly said, “Ok.”

Chapter 3

Marsha arrived at the Tea Cup Diner first. As she was taking her seat she noticed her friend Jeanie sitting near her table. Jeanie saw Marsha, too and came over to speak.

“Marsha! How are you?”

Marsha replied “I’m doing ok. I’m meeting Rosie for lunch. I’m trying to decide whether to keep on renting my apartment or to try to buy a house again. It really is so overwhelming that I’d rather just not worry about it. But you know, I really want the kids to have a home with a back yard, rooms of their own, and something we can all call ours.”

“I understand, Marsha,” her friend replied. “I put off buying a home for years until I got the nerve to just do what it took to do it. Ray and I were really nervous and scared to increase our payments, with the economy like it is and all; but we’ve made it work. In fact, I can’t imagine *not* being in our home. It is such a great feeling to have a place of our own and to raise our family in a safe environment.”

Marsha smiled slightly. Just as she was about to respond, she saw her sister enter the restaurant. “There’s Rosie,” Marsha said. “I better get going. It was nice talking with you. Thanks for your encouragement.”

“No problem,” replied Jeanie. “Please let me know if there is anything I can do to help.” Jeanie returned to her table as Rosie crossed the crowded room to join Marsha.

Rosie gave her sister a big hug and they sat down at the table. “How are you, Rosie?” asked Marsha.

“Fine, I guess,” replied the younger sister. “I just want to get this housing situation behind me. It just doesn’t seem like it is worth worrying over.”

Rosie replied, “Anything you can do to improve your life and the kids’ lives is worth doing.”

“I know,” said Marsha. “It’s just that I feel powerless. Where do I start? How do I get a house? I’ve asked Mr. Watson at the bank and he told me I needed a 10% down payment and that lady at the mortgage company wasn’t much help either. She told me to pay off some debt, but didn’t really offer me much encouragement. I just need to know once and for all, is it possible for me to buy a house, yes or no? I look at you and John and you’ve got a home. You guys make it look so easy! Why can’t I just buy a house like you did???” Marsha sighed in frustration.

“Well sister, it wasn’t always so easy for us. Remember when John and I were living in Atlanta? We were in much the same boat as you. We had no money, little credit and had no idea where to turn to buy a home. One day, a friend of John’s told him about his realtor and that John should call him about buying a home. John called the realtor and he put us in touch with this really good mortgage loan planner named Mike who helped us work on our credit and get us into a loan program with which we could live.”

“Mortgage loan planner, what the heck is that?” Marsha interrupted.

“I asked the same thing the first time somebody told me about one,” replied Rosie. “A mortgage loan planner, unlike a normal loan officer, is somebody who actually takes the time to make sure the loan you get is *affordable* and *sustainable*. They aren’t just concerned with getting you qualified, which is important, but they help you get a loan that allows you to reach *all* of your financial goals.”

“Financial goals?” Marsha asked surprisingly. “My financial goal is to make sure I have enough money to put food on my table and to pay my bills from month to month.”

“A mortgage planner can help you do this and more. He will help you develop savings habits and will put you in touch with people who can get a college fund started for the kids,” Rosie said with a smile.

Marsha thought for a minute about what her sister was saying and said, “My credit just isn’t that good.”

“Well,” Rosie replied, “our credit wasn’t that great either. But, our mortgage planner helped us repair our credit and our scores went up more than enough to help us qualify for a great rate on our mortgage.”

Rosie went on to explain that when they bought their first home in Atlanta, she and John faced some of the same challenges that Marsha was facing. They were new to home ownership, their credit wasn’t that great, and they weren’t sure they could afford their own home; not to mention the fact that they had no money saved for a down payment. Rosie said that they were not only nervous when they first showed up to talk with the mortgage planner, but they figured there was nothing that could be done for them. But, little by little and step by step they made progress and got into a home with a loan they could afford. That was about eight years earlier. They stayed in the house seven years before moving back to town. Over the

course of seven years Rosie explained, they accumulated equity in their home that allowed them to put a \$50,000 down payment on their new home in Rockbridge.

“Well, where do I find one of these mortgage planners? I wouldn’t know where to start,” Marsha asked Rosie.

“Well, last night after we spoke, I went on the website for Lenders Who Care at www.LendersWhoCare.org. Lenders Who Care is an organization that helps educate consumers about affordable and sustainable home ownership. They also promote ethical lending practices and keep a registry of qualified mortgage planners who have passed a background check and taken an oath to serve their clients with integrity. My former mortgage planner, Mike is a member. There was one mortgage planner listed in the Lenders Who Care directory in our state and he happens to be located in Rockbridge. His name is Dave Miller and he works for Hall of Fame Lending. Here’s his number.” Rosie handed Marsha a piece of paper with the name and number printed on it. “Also, I asked a real estate agent friend of mine about Dave and my friend said that Dave is one of the best and most respected lenders in town. He has referred many clients to Dave and every one of them has been treated well. You should give him a call.”

“I will”, said Marsha. The sisters enjoyed the rest of their lunch together. After washing down their peach cobbler with ice cold sweet tea, Rosie picked up the tab and the sisters parted with a warm hug.

Chapter 4

Dave Miller arrived at Hall of Fame Lending a little early that morning. It wasn't a rare occurrence; just something he did every now and then to catch up on reading. Nowadays, there was never a shortage of underwriting guideline changes and market updates that helped predict the direction of interest rates in coming days and months. Dave had always prided himself on keeping up with industry trends and his dedication to obtaining knowledge had made him an expert in the mortgage business. Just after watching his morning market update video his phone rang.

“Hello, this is Dave.”

“Hi Dave, my name is Marsha Myles,” the voice on the other end of the phone said, somewhat hesitantly.

“Hi Marsha, how may I help you?” Dave responded.

“Well, my sister told me I should call you about getting a loan to buy my first home. I'm very nervous and don't really think I can qualify right now, but I thought I'd call you anyway.”

“I'm very glad you did call, Marsha. It would be my pleasure to assist you. I like to say that when someone applies for a home loan, we don't say 'no', we just say 'when'.”

Hearing this, Marsha breathed a sigh of relief. This already felt differently than her previous attempts of getting a home loan.

“First of all, let me ask you some questions so I can get a better idea of your situation. Would that be ok?” Dave asked kindly. He had a lot of experience working with nervous, first-time buyers and was good at putting them at ease.

“Yes, of course,” Marsha replied.

“Great. Let’s begin. Where do you currently live?”

“Highland apartments,” answered Marsha.

“Ok. How much is your monthly rental payment?”

“Right now it is \$675, but it is being increased to \$725 at the start of my next leasing term.” Marsha’s frustration with this rate increase was evident in her voice.

“So, tell me; what is the most important thing to you about getting a home?”

Marsha thought for a moment. “I don’t really know. I guess it would be that I simply want a nice home for my family.”

Dave smiled. “Oh, that’s cool. Why is it important for your family to have a nice home?”

“I want my kids to feel safe and have a nice place to play, and a home to call our own.”

“That is awesome. Ok, what is the *most* important thing to you about the loan?” Dave asked.

Marsha weighed the thoughts passing through her mind and responded, “First and foremost, I want a loan for which I can qualify; one with a low monthly payment. I live on a limited budget and want to be able to continue to pay my bills.”

“That’s very understandable,” Dave replied. “Most first time home buyers feel exactly the same way. Do you have money for a down payment, or do you need down payment assistance?”

“I have about \$1,000 in savings and a little saved up in my 401(k). I know I’m going to need more than that for a down payment, but have no idea where I might get it. Assistance would be great.” Marsha was beginning to get hopeful.

Dave responded honestly, “Well, a down payment is one of the biggest challenges facing most first-time buyers. You are correct in that FHA, the loan most first time buyers get, requires a down payment of. However, there are programs out there to assist you in obtaining funds for a down payment.”

Marsha breathed a slight sigh of relief. “Really? I had no idea. I’m starting to feel better already.” She paused slightly. “However, I’m afraid my credit won’t be good enough to get a loan. I’ve been told in the past that I needed to work on my credit score.”

“We’ll take a good look at your credit; it probably isn’t as bad as you think. There are ways to increase your score in a fairly short period of time.” Dave made a few more notes and then said, “Marsha, I think I have a good feel for your situation. The next step will be for you to go to our website and complete our online loan application. Once you have done this, the system will notify me and I’ll get back with you and we’ll make an appointment. At that time, I’ll let you know what information you’ll need to bring in to the office for a consultation.”

Marsha took a deep breath and asked the question that was first in her mind, “does the consultation cost anything?”

“Not a thing. It is a complimentary part of our service to our clients.”

“Great! That sounds good. I’ll go online and complete the form.” Marsha took another deep breath and pleaded, “I really hope you can help me, Dave.”

“You have my word, Marsha. I will do everything in my power to help you get qualified for a loan that you can afford and that you can live with for as long as you have the home.”

Chapter 5

Marsha eagerly hung up the phone and went straight to her computer to complete the online application. Just as soon as the page appeared, Marsha felt a wave of doubt wash over her. She really wanted a house; but more than anything, Marsha was afraid of being disappointed.

She thought to herself, “What Dave said *was* encouraging. I could get help with my down payment and he said my credit score could improve. But, I just don’t think it’s possible for *me*. Like Mama always said, ‘Girl, if it sounds too good to be true, it probably is.’” With that thought echoing in her brain, Marsha logged off her computer and went on with her day.

The next week Marsha, avoided driving by *the house*. She was determined to get past this nonsense of wanting to buy her own home. Who was she kidding? She was too broke and had too bad of credit to get a home. “Who in their right mind would give me a loan?” she kept asking herself. The fear was simply too much for her. However, something was keeping her from signing the lease. This indecision and confusion paralyzed Marsha.

As she was drinking her coffee Sunday morning she picked up the paper. She noticed in the Real Estate section *the house* had been reduced in price. Also, the ad said that the seller was willing to pay closing costs. Marsha felt her heart leap for a second; however, she quickly shook the thought away and put that section down and went directly for the local news.

As she was reading about the latest mall coming to town, her 7 year-old daughter, Jessica came up to her. Jessica and her 5 year-old brother, Jacob had been drawing pictures in the den. Jessica showed her mother the picture she had just finished. The first thing Marsha noticed was the bright and beautiful sun in the corner. Then she was drawn to the sketchy, but definite drawing of a brown dog; its red tongue was out like it was smiling. The dog was playing with two kids beside a house. The house was simple, but beautiful. In the front yard was a lady talking with someone, perhaps a neighbor.

As Marsha looked over the picture she remarked to Jessica, “Baby, this is beautiful!”

Jessica replied, “Thanks Mommy; it is *our* house!”

Marsha swallowed hard, trying to hold back her emotions. She didn’t really know what to say. She simply

turned to Jessica and gave her a big long hug. “I love you, sweetie. You and Jacob go on now and get ready for church. Your clothes are on the bed.”

After the usual Sunday morning rush to get ready in time, the family climbed into the car and raced to church. They made it there just in time for Sunday school. The sermon was good, as always. Rev. Jackson had a way proclaiming God’s word that gave hope and uplifted the congregation.

After the service, Marsha spoke with Rev. Jackson. “Thank you, Pastor. I really enjoyed your message. I feel better already!”

“Thank you, Marsha,” replied the preacher. Just then, Rev. Jackson’s wife Loretta came up.

“Hi Marsha, how are you?” Loretta was always kind and sincere when she spoke.

“I’m fine, Loretta, thank you for asking.”

“Your kids sure are beautiful, Marsha. You know, you are really blessed,” beamed the preacher’s wife.

“I know, Loretta. I try to provide for them the best I can,” Marsha replied.

“You’re doing a wonderful job, Marsha. Remember, you are not in this thing alone. God has your back! As Jesus

said in Matthew 6:26: *‘Look at the birds of the air, that they do not sow, nor reap, nor gather into barns, and yet your heavenly father feeds them. Are you not worth much more than they?’*”

With that, Rev. Jackson spoke up, “Marsha, why don’t you and the kids join us for lunch today?”

Marsha hesitated. “Well, I don’t know.”

“That’s a great idea!” exclaimed Loretta. “Kids, how about if we go to lunch at Morrison’s? You can have strawberry shortcake!”

Marsha cringed inwardly. She did not have a choice now, as her kids bounced up and down at the thought of one of their favorite treats. “Ok,” said Marsha, “we’ll meet you there.”

Chapter 6

As they made their way through the line, the kids tolerated the meat and veggies put on their plates, knowing that just a few more feet away was the end all, be all: Strawberry Shortcake! As the desserts were put onto the tray and the sweet tea was being poured, the hostess asked kindly, “How many?”

Reverend Jackson replied “Nine please.” Marsha and her 2 kids were joining Rev. Jackson and Loretta, who had four kids of their own.

Loretta, who never lacked for conversation said, “We love having a large family. In fact, we are thinking about adding a couple more!”

Rev. Jackson simply smiled and raised his eyebrows as if to say, “Ok, that’s news to me.”

They sat at the table with the kids all on one side and the adults on the other. Just as they sat down, Jacob put his finger right in the middle of his strawberry shortcake and licked off a big gob of cool whip.

“Jacob! Not until after you eat your meal!” Marsha sternly said as any mother would.

Loretta and Marsha talked about things mothers talk about during most of the lunch while the preacher cut up with the kids. It was his way of keeping the peace and making sure they ate their meals. He kept telling them that if they didn't eat their lunch before him, he was going to take a bite out of their strawberry shortcakes.

The Jackson's oldest son, Timmy, who was 13 said, "It is ON! Ok, kids, we better eat. He means it!" With that, the kids all cleaned their plates and then dug into their prized dessert like it was the first time they had ever tasted something so good.

The waitress brought coffee for the adults, as well as Timmy and Jessica who both happened to like coffee; or more accurately, they liked a little coffee with their milk and sugar. As they sipped coffee, Marsha mentioned her dilemma of having to sign her lease to the Jackson's. She told them that she really wanted to provide a home for her family, but just didn't know how.

Rev. Jackson replied, "Marsha, dear, did you hear what you just said?" Marsha looked confused and looked at him intently. "You said that *you* wanted to provide a home for your family. As the Good Book says in James 1:17: '*Every good*

and perfect gift is from above, coming down from the Father of the heavenly lights, who does not change like shifting shadows.’ You see, everything, and I mean *everything* on this earth was created by God. We are simply stewards of His creation. If it is your heart’s desire to provide a home for your children, I say pray for it, ask for God’s blessing. If it is His will, it will be done. Psalm 37:4 says, ‘*Delight yourself in the Lord, and he will fulfill the desires of your heart.*’ In other words, put your trust in Him. Not only pray to Him, be in communion with the Lord. Give Him your heart with no strings attached. *Trust Him.* If it is His will, He will lead your footsteps down the path that will fulfill the desires of your heart. This takes all of the pressure off of you! It is not up to you to provide; God wants your heart. Once He has your heart, what you need will be fulfilled by our Father in heaven.” As Rev. Jackson finished speaking, a tear rolled down Marsha’s cheek.

“Marsha, why are you crying?” asked Loretta.

Marsha took a deep breath and said, “I feel like so much pressure is being lifted off of me. I want so badly to provide a home for myself and my kids. I want it more than anything.”

Rev. Jackson said, “Marsha, the Holy Spirit is talking to you. Listen to Him. Once you let go, you will have the answer to your dilemma.” With that, Rev. Jackson picked up the check and herded the sugar filled kids to the front of the restaurant and then headed home.

Chapter 7

On the way home, Marsha made a turn down a road the kids knew to be out of the way. Jessica asked, “Mama, where are we going?”

Marsha replied simply, “For a ride, sweetie.”

A few minutes later Marsha stopped her car in front of the house on Juniper Street. The kids were wondering what their mother was doing in front of this strange house with the for sale sign in the front yard.

As Marsha envisioned what it would be like to walk with her family through the front door for the first time, Jessica spoke up. “I sure wish we could live here!”

Jacob replied, “Yeah that would be cool! We could get a dog! I could ride my bike, and play football in the front yard!”

Jessica said, “Look!” and pointed down the street.

A group of kids on bicycles were riding down the street towards them. As the kids passed, Jessica and Jacob watched them intently, not wanting to take their eyes away from the group. Marsha watched the children pass, then put the car into drive and headed back to their apartment.

As they were walking to the apartment from the parking lot, Marsha spotted Mr. Washington. He was putting something in his truck when he saw the family.

“Hello Ms. Myles. I fixed the leak in your bathroom and the sink should be working fine now. Have you had a chance to sign the new lease agreement? They’re on me to get that done.”

Marsha replied, “No sir, I’ve been really busy lately.”

“Well, please get it signed and returned to the management office as soon as you can,” replied the grumpy man.

“Mr. Washington, let me ask you a question. If I wanted to move, how much notice would you need?”

“*What?!?* Are you thinking of leaving? If so, we require 30 days notice. Are you thinking of going to another apartment?” The nosy landlord asked.

“No, I’m definitely not going to another apartment. I’m considering buying my own home,” Marsha said.

Mr. Washington shot back, “Why would you want to do that? The housing market is terrible. Besides, do you think you can qualify for a home loan? I hear that they are hard to come by these days, what with all of the foreclosures on the

market. The banks don't want to lend money. Oh, well. If you think you can do it and want to leave, that's your choice; not mine. If you do, you better remember to give us 30 days notice or we'll charge you a penalty."

Marsha simply looked at him and said, "Thank you. Have a nice day."

The landlord grunted a reply, got into his truck and left.

By this time, the kids had made their way up to the apartment and gone inside. As Marsha walked in, Jessica was at the computer.

"Sweetie, I need to use the computer. Please take your brother into your bedroom and change out of your Sunday clothes. You can watch TV until I am done."

Jessica replied, "Yes ma'am." She quickly wrangled her brother and took him into their shared bedroom to change into their play clothes. Another reason Marsha wanted a bigger house was that so the kids could each have their own rooms. A boy and a girl needed their own rooms and they were getting to the age where this was more and more of an issue.

Marsha sat at the family computer and typed in the web address for the site that Dave from Hall of Fame Lending had given her.

Marsha found the website easily and the application button was on the front page. She clicked the link and it took her to a secure website. She had to create a user name and a password for safety. This made her feel better because she was a little unsure about entering her personal information on the internet. The application was about 5 pages.

She began by entering some basic information that included her full name, any addresses for the past two years, her Social Security Number, her number of years in school and her number of dependents.

Next, she entered information about her work experience. This included her employers for the past two years, her gross monthly income (Marsha was not completely sure, but she thought this meant “before taxes”), her banking information and retirement account information.

The next set of questions covered her “Liabilities”, which Marsha figured out mean loans. She had to answer a bunch of questions about her situation, including if she had ever filed bankruptcy. She started to click “No”, but then reminded herself that she had filed Chapter 13 bankruptcy a few years ago, so she clicked “Yes”.

It also wanted to know her race, sex and national origin. At first, she was offended, but then remembered recently hearing on the news that the government was trying to crack down on housing discrimination and figured these questions had something to do with that.

After she completed the questions and authorized her credit to be pulled, she clicked “Submit” without the least bit hesitation. She was not looking back now; she had decided to go for it!

That night, after the kids were in bed and she everything was quiet, Marsha prayed. “Dear God, thank you for all of your blessings. Thank you for my children and my family. Every good thing I have is from you. Thank you for my job and the ability to pay my bills. Thank you for the roof over our heads and I even thank you for Mr. Washington. Lord, I don’t ask you for much, but I am going to ask you for something now. If it is in your will, please Lord, allow me and my kids to get that house on Juniper Street. I promise I will honor you with my ownership and will take care of it to the best of my ability. Please Lord, I want to provide my children with a good life in a good neighborhood with a home that we can call our own. This home is on my heart, and God, I just

know you are trying to tell me something by the way things have been going these past few weeks. Please Lord, help Dave get our loan approved and let us close smoothly with as little stress as possible. Please God, take this nervousness and anxiety away from me and let me accept your will, no matter what it is. In your name I pray, Amen.” With that, Marsha Myles turned off her light and went to sleep.

Chapter 8

Dave Miller arrived at Hall of Fame Lending a few minutes before 8:00 a.m. He got his morning coffee and proceeded to check his email from the weekend. Most of it was the usual – updates on mortgage rates, correspondence from underwriters, and personal stuff like Facebook notifications. As he was hitting the delete button for most of the items in the inbox, he came across a loan application that was submitted over the internet. Dave was always excited about a helping a new client; his heart skipped a beat in anticipation. As he glanced at the application, he was pleased to discover it for Marsha Myles.

Dave remembered talking with Marsha about a week or so ago. When he had not received any more information from her, he had assumed that her decision was to not pursue a home at this time. He was pleasantly surprised to see her application. He immediately reviewed the online application and proceeded to pull her credit report.

Dave remembered Marsha saying that her credit wasn't the best and that she didn't think that she could qualify for a loan. So, when Dave pulled her credit, he really didn't know what to expect. Sometimes clients think their credit is worse

than it actually is; on the other hand, some don't realize how bad their scores are until Dave gives them the news.

Dave knew something about credit reporting. There are three credit reporting agencies: Equifax, Trans Union and Experian. All three have different scoring models and very rarely do they all have the same scores. Also, some creditors report to only one or two of the bureaus; but usually, they report to all three. Lots of times, there are errors on one or more of the reports. Sometimes, a creditor will update one bureau but not the others. Sometimes, account numbers are entered incorrectly or accounts are reported to the wrong consumer's bureau.

The average credit score in America is 680. More than half of Americans (58%) have scores above 700. Fifteen percent of Americans have scores under 550. Today, to qualify for a home loan, you generally need a credit score above 620.

Marsha's Equifax score was 605. Her Trans Union score was 580 and her Experian score was 595.

Mortgage companies use the middle of the three scores for qualification purposes. With Marsha's middle score of 595, she was 25 points away from having the necessary minimum

credit score to receive a FHA loan. 25 points would make all of the difference in the world.

Dave saw that Marsha had a Chapter 13 bankruptcy a few years earlier and didn't really have much credit re-established since then. She had some accounts with a local furniture store that she had paid on time. Also, there were a couple of collection items that showed up on her account around the time of her Chapter 13. Marsha did have a car loan with a balance of \$2,900 and a monthly payment of \$385. The car loan never had any late payments since it was obtained 3 years earlier. The good news was there was definitely hope for Marsha.

Dave had some special software called "Credit Expert" that allowed him to take a look at a consumer's credit and make suggestions on how to increase that individual's scores. Dave ran Marsha's credit through the system. The Credit Expert software suggested that Marsha had the potential to increase her Equifax score by 20 points, Trans Union by 35 points, and Experian by 30 points. This meant that if Marsha followed the advice of the Credit Expert software, she could possibly have the necessary credit scores to qualify for that home loan she so desperately wanted.

Now that Dave was comfortable with Marsha's credit and her potential to get the necessary scores, he looked at her income. Marsha made good money as a nurse with the local hospital. Dave knew that nurses' incomes were always difficult to calculate because they usually made different hourly amounts based on the shifts they worked. Keeping that in mind, Dave took the amount that Marsha put on her application with a grain of salt. She listed her income as \$3,825 per month, but he would need to look at her pay stubs to be certain this was correct.

Dave noted that the house Marsha wanted to buy was \$130,000. He knew that she didn't have a down payment, so he knew the loan amount would be around \$130,000, as well. He proceeded to look at her debt-to-income ratio. The debt-to-income ratio is simply the amount of regular monthly payments including mortgage payments, auto payments, credit cards and other loans divided by gross (before taxes) monthly income. Dave took out a note pad and quickly calculated Marsha's debt ratio:

Marsha Hyles	
Debt ratio:	
• New mortgage Amount (estimated, including taxes & insurance) =	1900
• Auto Loan =	1385
• Furniture Store Credit acct. =	100
	<u>1,475</u>
$\$1,475$ divided by income of $\$3,825 = 38.6\%$	

Dave also noted that the housing expense ratio, which is the mortgage payment divided by the gross monthly income was 25.9%

The debt to income guidelines for a FHA loan are 29% housing expense ratio and 43% total debt to income ratio, although it was possible to get approved with higher ratios. Marsha's ratios came in under these amounts, Dave noted. He was happy that she was looking at a home that seemed to be in her price range. However, knowing she is a single mother with one income, he made a note to focus on making sure the loan Marsha received was affordable and sustainable, regardless of whether or not she qualified.

Dave wanted to call Marsha before his weekly 9:00a.m. conference call with Mortgage Coach. So, he picked up the phone and dialed her cell phone.

“Hello?” a voice answered.

“May I please speak with Marsha?” Dave asked.

“This is Marsha.”

“Hi Marsha, this is Dave from Hall of Fame Lending. How are you this morning?”

“I’m doing fine, and you?” Marsha replied.

“I’m doing great. It was great to start my week off by getting to the office and seeing your application in my email. I was very excited to see it.”

“Thanks. I really hope you can help me,” Marsha stated with a mix of worry and excitement in her voice.

“Marsha, I’ve had the chance to pull your credit and review your application. We have some work to do, but I definitely believe it is possible for you to be in position to qualify for a home in the near future.”

There was silence on the end of the phone for a few brief seconds, and then Marsha excitedly replied, “Really? David, please don’t mess with me.”

Dave laughed, “Marsha, don’t worry, I’m not messing with you. You definitely have the income to qualify. We just need to work on your credit a little. I’ve got a plan that I think will work. Would you be able to come in to my office after work today to discuss it?”

“Sure. I get off work at 4:00p.m. I have to pick up the kids by 5:30p.m.”

“Perfect. Why don’t you come by my office at 4:30 today and we’ll have you out of here by 5:15 in time for you to get your kids. I know this is short notice, but would you be able to bring me some information today?”

Marsha hesitated. “I’ll try. What do you need?”

“Your paystubs for the past month, your last 2 years W2 forms, your most recent 2 months bank statements, your retirement statement and your driver’s license.”

Marsha thought quickly and responded, “I’ve got my paystubs here. I’ll call my accountant and have them send you my W2 forms and I can pull up my bank and retirement statements on the internet. Yes! I believe I *can* have all of this information to you this afternoon.”

“Great. I can’t tell you how important it is for me to get this documentation as quickly as possible. Your loan approval

depends on the information we put into the computer and we have to document everything we put in. So, if what we enter in the computer doesn't match what is on paper, your loan approval will not be valid," Dave said.

"Ok, I understand."

Dave then asked, "Do you have any questions for me before you come in?"

Marsha answered honestly, "I'm still a little nervous, but I know that what happens is in God's hands." She paused for a moment and then spoke again. "Dave, do you really think it looks good?"

Dave responded, "We don't know for sure just yet, but quite frankly Marsha, I really like your chances of getting into a home in the next several weeks."

Dave heard Marsha take a deep breath on the other end of the phone before she said, "Ok, I'll see you at 4:30."

"See you then, Marsha. Thank you." After hearing a very excited Marsha thank him, Dave smiled and hung up the phone.

Chapter 9

Dave returned his emails and made a few phone calls after hanging up with Marsha. His loan processor, Amy came in and visited with him on several loan files. Amy was an incredible loan processor. Dave would typically meet with his clients to discuss their loan and their finances. He would get the loan pre-approved, collect the documentation and have the clients sign their disclosures. At that point, Dave would give the file to Amy and she would complete the processing of the file and get it ready to submit to the underwriter. Amy would typically process ten to fifteen files each month.

It was approaching 9:00 a.m. and Amy reminded Dave of his conference call with Mortgage Coach. Mortgage Coach, a software company that provides tools for mortgage planners to help their clients, is also a community for loan officers to learn and to share ideas. They hold a weekly conference call. Today, they had an expert mortgage loan planner that specializes in first time home buyers, so Dave was especially eager to be on today's call.

The call was everything Dave expected and more. He left with plenty of notes to assist his clients, including Marsha. Once the call was over, Amy reminded Dave of the first-time

buyer financial planning class being held at the library that night. As part of being the Director of Education for Lenders Who Care, Dave taught classes on financial planning once a month.

Dave called Marsha and told her about the one-night course. Marsha said she would be there assuming that her sister could watch the kids. Dave hung up the phone and reviewed his notes for the class.

Chapter 10

Marsha Myles was cautiously excited about the possibility of getting a home of her own. Marsha and her friend Pam were in the line at the hospital cafeteria when Pam spoke up and said, “Marsha, what’s gotten in to you today? Don’t you know it’s *Monday*?” Pam laughed.

Marsha simply smiled and said, “Yes, I know. But I have something in the works that might make this a Monday to remember.”

As they were taking their seat at the table Pam prodded, “Do tell!”

Marsha hesitated and said, “Well, I don’t want to jinx things, but I’m talking with Dave Miller of Hall of Fame Lending about a loan to buy a house.”

Pam shouted, “*Really!?* That’s wonderful! I know how much you want this to happen. I’ll pray that everything goes your way. I’m *so* excited for you. No wonder you’re in such a great mood today.”

Marsha said, “I am excited, but at the same time, I’m nervous. I just don’t want to get my hopes up only to be disappointed.”

Pam said, “I can understand that. Buying a house is a big deal and it isn’t always easy to get your first one. But don’t you worry. I’ve heard great things about Dave and I’m sure he’ll be able to help you.” The two co-workers finished their lunches and headed back to their work stations.

Marsha pulled up her email and noticed a message from Dave.

Marsha,

I’m very excited about meeting with you this afternoon. I just want you to know that we are going to do everything we can to make the mortgage process as easy, smooth, and stress free as possible for you. As we talked about this morning, we have some work to do, but I am confident if we follow a plan, we can get there in the very near future.

I’d like to pass on the following information that I received from a friend of mine named Linda Davidson from Dallas. This will help you navigate the mortgage process:

THE TEN COMMANDMENTS When Applying for a Mortgage

1. Thou shall not change jobs, become self-employed or quit your job.
2. Thou shall not buy a car, truck or van (or you may be living in it)!!
3. Thou shall not use credit cards excessively or let current accounts fall behind.
4. Thou shall not spend money you have set aside for closing.
5. Thou shall not omit debts or liabilities from your loan application.
6. Thou shall not buy furniture.
7. Thou shall not originate any inquiries into your credit.
8. Thou shall not make large deposits without checking with your loan officer.
9. Thou shall not change bank accounts.
10. Thou shall not co-sign a loan for anyone.

Chapter 11

Before heading over to Hall of Fame Lending, Marsha gave her accountant, Richard a call. She needed to get her W2s from the past two years. She told Richard that she was buying her first house. He was very happy for her and asked her if she knew about the tax incentives that were recently enacted by Congress to encourage home ownership. She told him she did not, but would like more information. He went on to explain that the government was giving first-time home buyers a tax credit once they closed on their house. He said that basically she could get cash from the IRS within 4-6 weeks of closing. In addition to the temporary cash incentives for buying a home, Richard went on to explain how buying a house is a very smart financial move. The interest and PMI on home loans is tax deductible, which would save Marsha over \$1,200 per year. All of this made Marsha happy and more comfortable with her decision to move forward. She could now adjust her withholdings on her pay checks since she would be paying less in taxes each year *and* she would be getting a gift from the government in the form of a nice fat tax credit (cash).

Chapter 12

Marsha nervously walked in the door at Hall of Fame Lending at 3:55 p.m., 5 minutes before her appointment. A nice receptionist named Angie welcomed her and offered her a drink. Marsha was too nervous and politely declined. Angie and Marsha made small talk about the weather for a few minutes and then a man came out to greet Marsha.

“Hi Marsha, I’m Dave, it’s nice to meet you!”

Marsha replied, “Nice to meet you, too.”

“Come on back”, Dave told Marsha as he invited her to his office.

Marsha sat down at a small conference table in the corner of Dave’s office. There was a 19-inch monitor hooked up to a laptop computer on the other side of the table. Dave’s office was nice, but not pretentious. He had pictures of his wife and kids on the bookshelf behind his desk. There were paintings featuring his favorite football team, the Alabama Crimson Tide on the wall. The bookshelf was full of books, DVDs and training manuals from past years. Dave also had several awards around his office for his past achievements in the mortgage industry.

As Dave sat down, he offered Marsha a drink and once again, Marsha said no thank you. Dave thanked Marsha for coming by the office and they talked about kids, school and a few other things. Dave noticed that Marsha was a little nervous and he did his best to put her at ease.

As they talked, Dave said, “Marsha, please don’t be nervous. I feel good about your situation and believe you’ll be able to own a home in the very near future. We just need to make sure we get you in the right loan program, one that is *affordable and sustainable*.” He noticed Marsha sigh in relief. “Also, we need to do a little work on your credit.”

Marsha’s anxiety returned quickly as she heard the word “credit” came out of Dave’s mouth. “What are my credit scores?” Marsha nervously asked.

Dave replied, “Your three scores are 605 with Equifax, 580 with Trans Union and 595 with Experian. We throw out the low and the high and use your middle score. So, you’re looking at a 595.”

Marsha replied “What do my scores need to be to qualify?”

Dave said, “620,” and he quickly added, “However, I think I can help you get your scores up over 620 in the next few weeks.”

Marsha spoke up, “Dave, please tell me what I need to do to get my scores up. I will do whatever you tell me.”

Dave proceeded to give Marsha a lesson in how credit scoring works. He explained the credit scoring models. “Marsha, here is what goes into determining your credit scores:

- **35% Payment History:** How well you make your payments on time.
- **30% Balance to Limit Ratio of Revolving Accounts:** How much available credit you have on your credit cards.
- **15% Length of Credit History:** How long you have had good credit.
- **10% Types of Credit:** The mix of different types of credit accounts you have.
- **10% Inquiries:** When creditors pull your credit, it shows up as an inquiry. The more inquiries you have, the more it tends to affect your credit.

“Marsha, do you see any obvious errors on your report, especially when it comes to any late payments?”

Marsha replied, “Let me see. No, I don’t think so.”

Dave said, “Ok. Not a problem. The next thing we’re going to look at is your credit card accounts.”

Marsha chimed in, “Well, when I met with this lady at another mortgage company, she told me I should close out my credit cards and pay off any old collection accounts in order to increase my scores.”

Dave looked at Marsha with a slight grimace and said, “Well Marsha, unfortunately, that was not good advice. In fact, I’m surprised your scores didn’t actually go down more because of those recommendations. You see, when you pay off old collection accounts, the credit bureau sees that as ‘recent activity’ on a derogatory account. Your score will not change or it might even go down by paying off old collection accounts. Secondly, by closing out your credit card, you eliminated the ability to enhance your scores with the second factor: **Balance to Limit Ratio of Revolving Accounts**, which is 30% of your score. Your scores didn’t actually go down because you were maxed out on your credit limit when you paid off the card.”

Marsha said, “Yes, I owed the limit of \$500 and paid it off and closed my account with my income tax refund.”

Dave went on to give Marsha hope. “Marsha, I have a plan. What I want you to do is to open up a **Secured Credit Card Account**. I will show you where you can get one. You’ll need to get a limit of at least \$300 and only charge \$10 on the account. This will allow you to have available revolving credit and will increase your scores immediately. In fact, our computer models predict you will have a score in the 630 range once you re-establish this credit.”

“Really?” Marsha said. “What do I need to do to get one?”

Dave instructed, “First call this number and let them know you want to apply for a secured credit card. It is called secured because you are actually opening up a savings account and they are going to loan you money which is secured against your savings account. That way, if you didn’t pay the balance, they would take it out of your savings account. This allows the credit card company to extend credit to consumers with less than acceptable credit scores without any risk.”

“Ok, I will get this done as soon as I get home tonight.” Marsha confidently said.

“Great!” Dave replied.

“I just hope Mr. Washington is understanding and allows me a little more time to stay in my apartment,” said Marsha, still concerned.

“All you can do is ask,” Dave said.

Chapter 13

“Ok, the next step in our process is our **Mortgage Affordability Calculator**. One thing I’ve done for my clients is that I have created a tool that allows us to look at their situation and determine the proper payment and price range for them,” Dave explained. “So, I’m going to ask you a few questions about your income and your budget and we’re going to make sure we have a good idea of the price range of a house that will allow you to have an affordable and sustainable mortgage.”

“Ok, sounds good, what do you want to know?” replied Marsha.

Dave explained, “Well, what we’re going to do is start with your *net* income; the actual money you bring home with your check after taxes and all other deductions. This is the money with which you have to work. Then, we’re going to deduct your actual monthly expenses and other items in order to meet your financial goals. These deductions include savings, debt reduction, monthly expenses and any other payments you may have. The cash left over is what you have to work with relative to a mortgage payment. Then, we’re going to translate that mortgage payment into a sales price

range; your affordability range for your new home. Make sense?”

“Yes,” Marsha said.

“Ok. From your paystubs, I see that your gross income is \$3,825 per month, but you actual take-home pay is \$2,677. So we will use \$2,677. I need to know about your other debts and your savings and debt reduction goals. I’m going to ask a few questions, and then we’ll plug the numbers into the spreadsheet.” As Marsha answered for each category, Dave jotted them down on a piece of paper.

Net Income:

\$2,677

Current Cash Savings

\$1, 800

Cash Savings Goal in 12 months:

\$3,500

Non-Preferred (Credit Card) Debt:

\$1,000

**# of Months in which to pay off
Credit Card Debt**

12 mo.

“Next,” Dave said, “I’m going to plug in the amounts on our spreadsheet.” He sat at his computer and entered the data.

The screenshot shows a Windows XP desktop environment. A window titled 'DVD-RW Drive (D:)' is open, displaying a spreadsheet application. The spreadsheet is titled 'Mortgage Affordability Calculator - Marsha Myles' and contains the following data:

Mortgage Affordability Calculator - Marsha Myles	
Net Income	\$2,677.00
Cash Savings per Month	(\$150.00)
Credit Card Payment	(\$100.00)
Other Loan Payment (Car)	(\$385.00)
Other Monthly Expenses	(\$1,000.00)
Cash Leftover for House Payment	\$1,042.00

The desktop taskbar shows the Start button, several application icons (including Internet Explorer, Outlook, and DVD-RW Drive), a search bar, and the system tray with the time 9:42 AM and date Northport, AL (35473).

“So, including taxes, insurance and a rate of 5.5%, a \$1,042 monthly mortgage payment translates into a sales price of \$153,000. **Therefore, we’ll say your Sales Price Affordability Range will be from \$130,000 to \$150,000.** How does that sound?” Dave asked.

Marsha didn't say anything for several seconds. She sighed and said, "The house I have been looking at is \$130,000. So, you're telling me that you believe I can afford this home?"

Dave went on, "What I am telling you is that we simply looked at your income and your expenses, as well as your savings and debt reduction goals. From these amounts, we came up with a maximum mortgage payment you could afford based on your situation. So, what I'm saying is that if you live within the means we have put on paper, *yes*, you can afford a home costing up to \$153,000 with no problems."

Chapter 14

Marsha took another deep breath and tears began to roll down her cheeks. She wiped them away and just when Dave was going to ask her what was wrong, she simply smiled. He didn't have to ask her. He knew that nothing was wrong at all. For the first time in Marsha Myles' life, she knew she could buy a home. Her emotions were overwhelming and she became embarrassed that she would cry in a mortgage banker's office. They both started laughing when Dave handed her some tissue paper from the box on the corner of his office. "I keep this box here Marsha, because you aren't the first person to cry tears of joy in my office. Helping first-time home buyers achieve their dream is what I love most about my job. It gives me great joy and satisfaction knowing I can help people such as you to become home owners. I know how important it is for you to see this thing through, so I want you to know that I will do everything in my power to help you get to closing on your new home.

"Please understand that the road may not always be smooth between now and then, but based on the facts I have in front of me and my past experience, there is no doubt in my mind that it is possible for you to qualify in the very near

future. The key is to follow my advice, provide us with the information we need, as well as the documentation the underwriter will ask for and to not get discouraged or frustrated with the process. In today's market, underwriters are asking for lots of information and explanations, and they are putting lots of conditions on loans.

“Here is what happens next. First, we are going to get your credit score over 620. Then you will be pre-approved and ready to move forward.

“Secondly, we will put your application together and submit it to the underwriter, making sure to include everything we expect them to ask for. They will most likely have questions or ask for follow up information. We will give them any additional materials they require and then they will offer your approval.

“Once your loan is approved, you may then close on your home loan. At this point, you will be a Home Owner!

“So, here's what I need for you to do: Go ahead and get the secured credit card. Let's give it a couple of weeks to improve your score and then we'll pull your credit report. If we get the score improvement we're expecting, then you can

go ahead and proceed with your closing. If you'd like, go ahead and look at a few houses. That will be fine.”

Chapter 15

“Do you have a Realtor?” Dave asked.

Marsha said “No, but I was going to call the one listed on the sign of the house I like on Juniper Street.”

“Do you know this person?” Dave questioned.

“No.” Marsha replied.

“Let me tell you how it works. The Realtor listed on the sign of that house works for that seller. If you asked them to write a contract on that home, you will be dealing with the agent of the person selling the house. The Realtor, known as a **listing agent**, has an obligation to get the best deal possible for the seller. Now, there are some very good and honest listing agents, but I advise you to get your own agent to represent you in the transaction. This is called a **buyer’s agent or selling agent.**”

Marsha asked, “Well, don’t I have to pay this buyer’s agent?”

Dave smiled and said, “Great question. The answer is actually *no*. The listing agent and your buyer’s agent would actually split the commission on the sale of the house. If you just went through the listing agent and asked them to write the contract, they would receive the entire commission check.”

“Oh, I see,” Marsha said. “Since I don’t know anyone, who do you recommend?”

Dave thought for a minute and said, “Well, I know and trust lots of agents in town. But, I think you’d work best with Kim McMurray at Classic Properties. She deals with lots of first-time buyers and all of her clients love her. She is very knowledgeable and extremely trustworthy. Here is her card.”

“Thanks so much, Dave. I really appreciate the recommendation,” Marsha added.

“No problem, be sure to tell Kim that you’re working with me and that I asked you to call.”

“I will. After I get done calling the credit card company to get my secured credit card, I’ll give her a call.”

“That sounds great. You have a great night and be sure to call me if you have any questions. Oh and by the way, I’ll be sending you some information over the next few weeks for you to read. It’s some things you’ll need to know as you go through the process of buying a home,” Dave told Marsha.

Finally, Marsha said, “Dave, I just want you to know how thankful I am for you. You’ve been wonderful and have given me lots of hope. I can tell you care for your clients and

try to educate them along the way. Believe me, if I run into anyone wanting to buy a home, I'll send them your way."

Dave smiled, gave Marsha a little hug and said, "Thanks, Marsha. That really means a lot and I certainly do appreciate it."

Chapter 16

On her way home, Marsha called Rosie, as well as Loretta Jackson. She told them the good news about moving forward in the home buying process. Both Rosie and Loretta were very excited for Marsha and told her to just look ahead and everything was going to work out fine. After Marsha got the kids fed and settled down for the night, she called the credit card company that Dave had told her about and applied for a secured credit card. Sure enough, the credit card company, Premiere Bank, had no problems approving a card for Marsha. The representative explained that Marsha would need to send a check for \$300 to the company to be placed into an interest-bearing savings account and then they would issue Marsha's credit card. The representative told her it would take 10-14 days to complete the process.

Since it was approaching 10:00 p.m., Marsha decided it was too late to call Kim the Realtor. So, she decided to call tomorrow when she had a chance at work. Before going to bed, she checked her Facebook account and email. In her inbox was an email from Dave.

Marsha,

Thank you for coming by my office today. It was nice meeting you. My team and I are looking forward to working with you during this special time. As I said in my office, I take seriously my role in fulfilling your home ownership dreams. We want to make every step of the way as smooth and stress-free as possible. Also, I just wanted to remind you of a few things:

- **Be sure to return all documents that we have requested ASAP.**
Your closing may be delayed if we have not received the information we need to complete your loan.
- **The \$500 Rule!** *Please contact us if you are planning to transfer more than \$500 between your accounts, are spending more than \$500 on a credit item, or are planning to make a deposit of more than \$500 in the bank unaccounted for by a payroll check. We will explain how these items need to be documented or if they impact your approval. In some limited cases, even less than \$500 can be questionable, so if you are unsure, **please call us.***
- **Gift Funds.** *If you will be receiving any gift funds, it is imperative that you advise us of this BEFORE the funds are given, so that we can explain the documentation that is required for gift transfers.*

If you have any questions along the way, please don't hesitate to contact me or your loan processor, Amy. Once again, thank you for allowing our team to serve you. Please continue to keep us in mind if you know anyone who may need our services.

Make it a great day!

Dave Miller

Certified Mortgage Planner

Hall of Fame Lending

Chapter 17

On her way to work the next morning, Marsha couldn't stop thinking about the possibility of buying *the house*. In her excitement, she was unable to sleep well the night before. As she turned the corner, she noticed the offices of Stevens Property Management. Then it hit her. Her lease! With everything going on, she had totally forgotten about her new lease agreement. She only had a few days left to give Mr. Washington her 30-day notice that she would be moving. Dave had said that it would take about 6 weeks to get her credit scores to the point where she would qualify. What was she going to do?

Her excitement turned to anxiety as she made a U-turn and headed back to Mr. Washington's office. His truck was out front, so she knew he was at the office early.

She pulled on the front door and it was locked. Mr. Washington stuck his head out from his office and proceeded to come open the door for Marsha.

"Marsha, how can I help you?" Mr. Washington said in his usual direct and matter of fact tone. He was holding a cup of coffee and stepped back from the door to allow Marsha to enter.

“I need to talk with you about my lease.” She braced herself for his reaction, and spoke. “Mr. Washington, I’ve been a good tenant for 5 years. I’ve rarely been late on my rent and if I was going to be a few days late, I always let you know. I haven’t complained and I’ve always tried to take care of my apartment to the best of my ability.”

Mr. Washington, looking confused, took a sip from his coffee, but said nothing. He was listening intently, occasionally nodding his head in agreement.

“Also, I’ve never complained about rent increases and I’ve always signed and returned my lease when you needed it.” Marsha further explained.

Mr. Washington spoke up, “Marsha is there something wrong? Is there something you need to tell me?”

Marsha then said, “Yes. Yes, there is. I’ve decided not to renew my lease. I’m going to buy a house.”

Mr. Washington paused for a minute as if to take in the conversation, and then said, “Ah-ha. I knew you were getting at something. No problem. We just need 30-days notice. Then we will do an inspection of your apartment and return your deposit if everything is in order.”

“Ok,” Marsha took another deep breath. “There is just one more thing. I need to ask a favor of you,” she said.

“Go ahead.” Mr. Washington replied.

Marsha looked at her landlord and said, “I need an extension of my current lease by two months. My loan may not be ready for a few weeks. I have to do some work on my credit and then I’ll be pre-approved. That should take about 6 weeks. Then, I’m going to write an offer on a house and close 4 weeks later. Now Mr. Washington—”

Mr. Washington interrupted, “Ok. No problem. We’ll just put you on a month-by-month contract after your current lease is up. But, we’ll have to charge you the higher new rent amount.”

“You mean you’ll do it?” Marsha asked, shocked.

“Sure. You’ve been a good tenant as you’ve said. I see no reason to stand in your way.”

“Thank you, Mr. Washington. I can’t tell you how much this means to me and my kids.”

“No problem. Marsha, I know I don’t say much, but I’m not a bad person. I’ve got kids of my own. As a matter of fact, my daughter just bought her first home. Who am I to

stand in your way if that's what you want?" Mr. Washington explained.

"Thank you, again. I know you're not a bad person, I just didn't know what you would say." Marsha smiled and gave Mr. Washington a hug.

He hugged her back and then stood straight up and said, "Now go on, before I change my mind." He winked and gave a slight grin and went back to his office with his coffee to finish his paper. Marsha watched him walk off and chuckled.

Chapter 18

As Marsha drove the rest of the way to work, she thought to herself, “That sure was a lot easier than I thought it would be.” Maybe she had misjudged Mr. Washington; or maybe he was just having a good day. In any event she said a prayer as she drove, “Dear Lord, thank you for all of your blessings. You are eternally good and provide your children with everything they need. Thank you for Mr. Washington and allowing him to open his heart and mind to my situation. I believe that you had something to do with his response. You open doors where they should be opened, and close them where they should be closed. Oh God, thank you also for Dave Miller. You put him in my path for a special reason. I firmly believe that where we have needs you provide and equip people to fulfill your plan. Thank you for my friends and family for their support. Thank you for my job. Thank you for my kids. You’ve never let us down and for that I am eternally grateful. In Your Son’s name I pray. Amen.”

Chapter 19

On her lunch break, Marsha took out the card of Kim McMurray of Classic Properties. She dialed the office number and a pleasant receptionist answered. When Marsha asked for Kim, the lady said that she was not in the office; however, she would be glad to transfer Marsha to Kim's cell phone. Marsha agreed and the phone began to ring.

“Hello, this is Kim.”

“Hi Kim, my name is Marsha Myles. Dave Miller at Hall of Fame Lending asked me to give you a call.”

“Great,” said Kim. “How can I help you?”

Marsha explained, “Dave is helping me get approved for a mortgage so that I can buy my first house. I'm new to all of this, so I'm basically following Dave's advice and he said I should speak with you.”

Kimberly said, “Awesome. I'm so glad Dave asked you to call me. Dave and I have worked together for several years and I have a lot of respect for him. We work really well together and both of us have a love for helping first-time buyers like you.”

Marsha replied, “That is what Dave said. He spoke very highly of you and said you are someone I could trust.”

Kim's voice perked up, "That is a kind thing for him to say. One of the reasons Dave and I work so well together is for that very reason. We try to *always* do what is in the best interest of our clients. We put their needs first and everything seems to work out for everyone. My business is based solely on referrals from satisfied clients. The only way to do that is to take care of people."

"Sounds good to me," Marsha replied.

"Ok, let me get my calendar to see when a good time would be for us to meet. I'd like to sit down with you to find out a little more about your needs and then we'll go looking at some houses. How does that sound?"

"Great!" Marsha said.

"Is Thursday afternoon ok with you?" Kimberly asked.

"Yes, I get off work at 4:00 p.m. that day. I'll have about an hour before I have to get my kids," Marsha responded.

"Perfect. We'll meet at 4:00 p.m. at my office on Hwy 59, ok?"

"Ok." Marsha said.

Chapter 20

When Marsha checked her email later on, there was another message from Dave.

Marsha,

I wanted to send you a quick email to explain a little further about how we do things in our mortgage planning practice.

Make it a great day!

Dave Miller

- **What is Mortgage Planning?** *Mortgage Planning is simply the process of making sure the mortgage you receive is **affordable** and **sustainable** and allows you to reach your overall long- and short-term financial goals.*
- **What are the benefits of Mortgage Planning?** *The biggest benefit of going through the mortgage planning process is the peace of mind you will receive when you know you are doing the right thing relative to your mortgage financing. This allows you to purchase a home without the nervousness and doubts often associated with making the biggest purchase of your life.*
- **Why a Certified Mortgage Planning Specialist (CMPS) and not just a loan officer?** *By becoming a CMPS, I have pledged to provide not only a home loan, but **advice** that will allow you to determine the best mortgage for your overall financial situation. I am backed by a financial team, including insurance advisors, estate planning attorneys, investment advisors, realtors and CPA's that are these to assist you in whatever needs you may have.*
- **Who is Lenders Who Care (LWC)?** *LWC is a national non-profit organization of like-minded mortgage professionals dedicated to educating American home buyers and real estate professionals on affordable and sustainable mortgage financing. LWC also promotes ethical lending practices. I have been a member since 2006 and am on the Board of Directors for Lenders Who Care.*

Chapter 21

Marsha arrived at Classic Properties a few minutes after 4:00 on Thursday. Kim met her at the front door and invited her back to her office. They talked for a few minutes about some mutual acquaintances at the hospital and about the latest happenings in the local school. It turned out that Kim's kids went to school with Marsha's daughter and her middle child was in Jessica's grade.

Marsha exclaimed, "I thought you looked familiar! I must have seen you at a school function."

Kim smiled and then said, "So tell me Marsha, what are you looking for in a home?"

Marsha immediately spoke up. "Well, Kim, I'm looking for a nice place that doesn't need a lot of work. I want 3 bedrooms and at least 2 bathrooms, and I'm looking to stay in the same school district."

Kimberly was taking notes and when Marsha finished, she quickly reviewed them aloud. "So, you want a nice 3 bedroom 2 bath house in our school district. You want a house with low maintenance, as well."

"That's right," said Marsha. "We need more room. I really want to get out of an apartment, you see. My kids want a

dog and I'd love for them to be able to play in a yard and ride their bikes without me having to worry about them as much."

"Ok", Kimberly said, "What is your price range?"

Marsha repeated the price range that Dave had said would work for her. "Between \$120,000 and \$140,000."

"Okay!" Kim responded, surprised at her specific and immediate answer. "It sounds like you've put a lot of thought and research into what you can afford."

Marsha simply said, "Thanks to Dave."

Kimberly turned to her computer and pulled up the MLS database of homes. "Let's see what we can find. That is in a great area, and there are several homes for sale around the school. Ok, I found a few houses. Oh, here's a nice one! Sounds perfect for you! Let's see where it's located. Oh, it's on-

Marsha interrupted, "Juniper Street?"

Amazed, Kim looked at Marsha and said, "Why yes. Yes, it is on Juniper Street. How did...I don't understand."

Marsha smiled and said, "Girl, it's a long story." The two new friends made plans to look at *the* house and a few others on Saturday.

Chapter 22

Marsha's sister came to the apartment on Saturday morning to have breakfast. She was going to watch the kids while Marsha looked at the houses. Marsha had her Showcase of Homes booklet out and had been through it at least ten times. She knew just about every house for sale in Rockbridge.

Rosie said, "Are you excited?"

"Can you tell?" Marsha said.

"Uh, yeah, it's pretty obvious, girl," Rosie replied.

"I just can't believe I'm doing this," Marsha said.

Rosie quickly shot back, "You're not getting nervous and thinking about changing your mind, are you?"

"Heavens, no!" Marsha said. "I've come too far to turn back now. I'm just thankful and still in amazement of the chance to get my house. I want it so badly for the kids."

"And you," Rosie smiled.

"Yes, and me," Marsha said, hugging her sister.

At that moment, there was a knock on the door.

Marsha led Kim into the apartment, introducing her to the kids and Rosie. They talked for a minute and then Marsha gave her sister one more hug, grabbed her purse and headed out the door.

The two women climbed into Kim's new Mercedes SUV.

"Wow, I love this ride!" Marsha said.

"Thanks!" Kim said. "I've been truly blessed in my business and my husband decided to buy this as my birthday present last month."

"Wow! You've got a great husband. You are blessed!" Marsha said. The women both smiled and drove towards the first home.

"First of all, I thought we'd stop over here on Stuart Street and look at this house that just came on the market," the Realtor said. "It is a 3 Bedroom/2 Bath with vinyl siding and a fenced backyard on the middle of the street. The asking price is \$139,900, but it just came on the market. Ok, here we are."

The two walked through the house. It was nice enough, but not exactly what Marsha was expecting. The carpet inside was old and faded and it looked like the kitchen needed some work. Kimberly left her card on the kitchen table and they got back to the car.

"Well, that wasn't what I had hoped, but that's ok. There are plenty of other houses out there. One of them has your name on it!" Kim said. Without saying where she was

going, Kim drove towards the house on Juniper Street. Of course, she did not have to tell Marsha where she was going; Marsha knew. Marsha had been by the house on Juniper Street so many times that the neighbors probably thought she lived on their street.

They pulled into the vacant driveway. The previous owners, the Andrews, moved 3 months earlier when Mr. Andrews was transferred to another city with his job. They had 3 kids; 2 boys and a girl. Kim and Marsha got out of the car and walked around the front yard. The Andrews' nephew had made a habit of cutting the grass and taking care of the place on the weekends since the family had moved. The shrubs were well-trimmed and there were several trees in the front yard, including 2 Bradford pears, a few dogwoods and a handful of pine trees. There were also some azalea bushes that were absolutely beautiful. In fact, all of the flower trees were in full bloom, which made the house, and the street for that matter, even more appealing.

Kim had a key to the house and they went in through the carport. As they walked in, Marsha had the feeling that she had been there before. It was just as she had imagined. While there was no furniture inside, Marsha imagined it fully-

furnished, warm and welcoming. Walking in from the carport, there was a breakfast nook leading into the kitchen. The kitchen wasn't huge, but it was plenty big enough for Marsha and her family. In fact, there was more than twice the cabinet and floor space than there was in the tiny kitchen back at the apartment.

The kitchen led to a spacious, open family room. While there was tile in the kitchen, the family room had fairly new beige carpet. The fireplace was perfect. It was an old-style wood-burning fireplace; not one of those modern ones with the gas inserts. The hallway off the family room led to the three bedrooms and two baths. The kids' rooms were plenty big; certainly offering more room than they currently shared. Marsha thought about how her kids could now each have their own room, which was important to her daughter Jessica. The master bedroom was huge! In fact, Marsha wondered how it would look with her double bed. There was more than enough room for a king size bed plus all the furniture she didn't have. The master bedroom had its own bathroom, which happened to be gigantic. The spa tub looked appealing and the walk-in closet had more space than she needed. The kids' bathroom

was in the hall between the two rooms. It was just the right size.

The Realtor and her client finished walking through the house and then walked in the backyard. It featured a chain link fence and had lots of trees, giving it a cozy feel. There was plenty of room for the kids to play. In fact, the Andrews had left their swing set and tire swing back there for the next lucky inhabitants. There was even a dog house in one corner.

Marsha had seen enough, but the two women lingered for a few extra minutes. As Marsha took it all in, Kim returned a phone call on her cell. Marsha noticed how busy Kim was but that, judging from the way they spoke to each other, she really seemed to care deeply for her clients. No wonder Dave had recommended her. Marsha felt at ease with her choice of a real estate agent.

Marsha and Kim spent the rest of the morning looking at other houses. There was one on Cherry Hills Avenue that was nice, but not quite big enough. The one on Arrowhead Street was plenty big, but not in very good shape. The home on Azalea Avenue seemed to be really nice, but was on the higher end of her price range at \$150,000.

For Marsha, there was absolutely no doubt about it. The house on Juniper Street was the home of Marsha's dreams. Her heart was set on it.

Marsha and Kim stopped at the local coffee shop to discuss their morning over coffee. After ordering two white chocolate mochas, the two ladies sat at a table in the corner. Kim took out a piece of paper and insisted that they review their notes on each of the properties. After making a pro and con list for each of the houses, it was evident: Juniper Street was a perfect fit for Marsha Myles and her family.

Marsha spoke up and said, "Kim, I really want this house. But I don't want it to get away. There are no other houses, other than maybe the one on Azalea Avenue that I'd even consider at this point. Would it hurt for me to make an offer right now just to see what would happen?"

Kim explained to Marsha that not having a pre-approval letter at this point put her at a slight disadvantage in her negotiations. Kim explained that if she did make an offer, the sellers would most likely not accept less than full price, they probably wouldn't agree to pay all of the closing costs, and they would likely require a larger security deposit.

Marsha asked Kim if she would speak with the listing agent Kathryn Hinton and ask her about the potential offer and if she thought the sellers might be willing to help her out. Kim agreed and told Marsha that she would speak with the listing agent as soon as possible. With that, the two finished their coffee and headed home.

Chapter 23

When Marsha got home, she told Rosie everything about her morning. They reviewed the pro and con lists and Rosie and Marsha really focused on the qualities of the house on Juniper Street.

Rosie said, “Sister, it sounds like you are on the right track. I can’t believe you are about to own your own house. I am so proud of you! You have come so far in the past few weeks and there is no doubt in my mind that you are going to see this thing through!”

Marsha said, “Rosie, I’m still a little nervous; but I can’t tell you how excited I am getting about getting the house on Juniper!”

“*What?*” A little voice from across the room squealed. “Mommy, did you just say you were going to buy a house on Juniper Street? Is it the house where we stopped the other day? If it is, Jacob and I really, really, *really* want you to get it!”

Surprised, Marsha looked at Jessica and then looked over at Rosie as if to say, “What am I supposed to do now?” Rosie simply nodded her head as to give her sister the go ahead to tell Jessica.

“Sweetie, it’s not for sure yet; but, yes, I want to buy that house. I didn’t want to tell you until I knew it was going to happen for sure. Please understand that wanting something and actually getting it are two different things. Let’s pray that everything works out.”

“Oh, Mommy, it will. Every night before I go to bed I pray to God that he would let our family get a house. Because Mommy, I know how much you want that.” Jessica turned and ran to go find her brother and tell him the news. Marsha plopped down on her couch, overwhelmed. She could feel the tears trickling down her cheeks once more.

Chapter 24

Saturday afternoon Kim called Kathryn Hinton to discuss the possibility of Marsha making an offer. Kim explained that while Marsha was not qualified *yet*, Dave Miller was confident that she would be in a few short weeks. Kathryn promised to discuss the situation with her clients and would get back to her as soon as possible.

The weekend went by without Kim hearing any more from Kathryn. Meanwhile, Marsha was anxiously awaiting news from Kim. Every time her phone would ring, Marsha would hurriedly pick it up, disappointed each time it wasn't her Realtor.

At around 2:00 on Monday, just after Marsha finished her rounds, the phone rang and the caller ID read "Kimberly McMurray".

Marsha quickly answered, "Hello."

"Hi, Marsha this is Kim. Look, I spoke with Kathryn and she said that her sellers are very motivated to sell. They are concerned about you not being pre-approved yet. But, Kathryn has encouraged us to go ahead and make an offer and see what happens. I've got some ideas of how to structure our

offer to make it successful. Can I come over to your place this evening so that we can get the contract started?”

Marsha replied, “Sounds good. Can you be at my apartment at 6:00 p.m.?”

“6:00 is perfect,” the Realtor replied. “See you then.”

As soon as she hung up with Kim, Marsha dialed Dave Miller’s office. His receptionist let Marsha know that he was on the line with another client, but he would be wrapping up really soon.

As Marsha was leaving her number, Angie interrupted, “Wait, Dave just got off the line. I’ll put you through.”

Dave was pleasantly surprised to hear from Marsha. “Marsha, how are you doing? It is really good to hear back from you! Did you get the credit card in the mail yet?”

Marsha replied back, “No, not yet, but I applied and they approved me just like you said they would.”

“Guess what I did this weekend?” Marsha confidently asked.

Dave replied, “I give up, tell me.”

“I looked at houses with Kim McMurray.”

“Oh, great! How do you like working with her?”

“I really like her. We even discovered that our kids go to school together. We get along really well and I am enjoying working with her.”

“I had a feeling you two would hit it off. That’s great,” he said, smiling.

“Dave, there’s more. I want to make an offer on the house on Juniper Street.” Marsha, not knowing what to expect from Dave, sighed deeply.

Dave paused for a second then said, “Well Marsha, it is absolutely your decision. What does Kim say about it?”

“Kim spoke with the listing agent and she wants to go ahead with the offer.”

“Marsha, I totally respect that. However, there are two reasons why you might want to wait. First of all, most offers are stronger and you have more bargaining power once you are qualified. Second, credit scores can be funny things. While we totally expect your scores to increase to over 620 in a matter of a few weeks, we don’t know that will happen for sure. If you get under contract, it could cause issues and undue stress if your scores do not increase by the time your contract expires.”

“Well Dave, Kim has some ideas about how to present the contract. She says the sellers are very motivated since they

live out of town and they are willing to work with me,” Marsha said.

Dave replied, “That is wonderful. It sounds like you have the chance to get a good deal on this home. This is *the* house, right? The one that you had in mind from the beginning?”

Marsha proudly said, “Yes! We went into that house and several other houses. Dave, it just feels right. It is the home of my dreams. Frankly, there are no other houses in my price range that I’m even considering at this point.”

“I see,” Dave said. “Well, if you’re willing to work on your credit scores while you are under contract, and the seller is aware of that, I say, what do you have to lose?”

“Exactly!” Marsha exclaimed joyfully. “That is what I’m thinking.”

“Ok, then, go for it. What I will do is write a letter saying that in my opinion, you will be qualified to close within 2 months. Of course, I will have to say that it isn’t a sure thing, but only an opinion.”

“Thank you, Dave. You’ve been so good to work with, and I really appreciate you.”

“Thanks, Marsha, you are an awesome client and I think the world of you. I’m very happy for you and want to wish you luck with your contract negotiation.”

Chapter 25

Kim arrived at Marsha's apartment with a blank Real Estate Sales Agreement and Chinese food from Lee Palace. After all of the sesame chicken was gone, Kim pulled the contract out while Marsha cleaned off the kitchen table.

"Marsha, I mentioned that I had some ideas about how to make your offer more attractive and more likely to be accepted. First of all, I would offer \$1,000 in earnest money. Normally, on a home in this price range, \$500 is acceptable, but the extra \$1,000 will show them that you are very serious.

"Secondly, since the sale would be contingent upon you getting approved for financing, we need to give them the opportunity to consider other offers. If they have an acceptable offer from another potential buyer, you will have 48 hours to remove your contingency.

"Third, the contract needs to be written with a closing date of 60 days from today. However, we need to let them know that if you are able to closer sooner, we will move up the closing date.

"You said that Dave provided you with a pre-qualification letter?" Kim asked.

Marsha said, “Yes, here it is,” and handed the letter to Kim.

Kim inspected the letter and said, “This is outstanding. While it is not an official pre-approval letter, it does let them know that Dave feels very good about your situation and that should give the sellers some peace of mind. Excellent!

“Marsha, do you have any questions about any of the things I’ve mentioned?” The Realtor asked.

Marsha said, “No, Kim. It all sounds good to me. I’ve got the \$1,000 in my account and I can write you a check for that today. I just hope that no other offers come in before I’m ready to be approved. I don’t know what I would do in that situation.”

Kim replied, “Well, we won’t borrow trouble. Let’s not worry about that now.”

“You’re right, Kim. But, you know how I sometimes worry.”

Kim looked at Marsha and with a confident smile said, “Marsha, **FEAR** stands for **F**alse **E**xpectations **A**ppearing **R**eal. In other words, sometimes we think, say and do things out of fear. But, what we are scared of isn’t even real! We tend to make something out of nothing, for no reason at all.”

With that, Kim finished the remaining details of the contract and Marsha signed her name to a document that could make her biggest dream ever come true: her dream of becoming a home owner.

Chapter 26

The *ding* from her computer, told Marsha that she had a new email. After Kim left, Marsha went over and opened her inbox. There was a new email from Dave.

Dear Marsha,

Congratulations on your decision to move forward with your offer. I am very happy for you and will be waiting anxiously to hear the response from the seller.

This email is to go over a few things related to the home-buying process. My goal is for you to be totally at ease and well-informed from now until your loan closing. When it comes to buying a house, a lot of the stress comes from simply not knowing what to expect. I will do my best to ensure that you do not have that concern.

The attached document goes over the steps of the home-buying process. Your situation is a little different. Since we still have some work to do on your credit, we are going to wait on Step #3 until your scores increase.

We plan to keep this as simple as possible, to communicate proactively and answer any questions you have along the way. As always, feel free to call or email should you need anything.

Make it a great day!

*Dave Miller
Hall of Fame Lending*

Marsha opened the attachment and began reading over each step in the process until she felt at ease with the information.

The 10 Steps in the Home-Buying Process

- 1) **Pre-Qualification:** Can you get the loan?
- 2) **Pre-Purchase Consultation:** What is important to you about the loan and can you *afford the mortgage*?
- 3) **Pre-Approval:** Provide your documentation to the lender and receive a conditional approval.
- 4) **Write an Offer on a Home:** Your Realtor will advise you and take care of the completion of the contract.
- 5) **Order the Appraisal, Title Insurance, Pest Inspection, Survey and Flood Search:** Your Lender (me) takes care of these items, except for the Pest Inspection. Your Realtor will work with the listing agent regarding the Pest (termite) Inspection.
- 6) **Underwriting:** Once all of the above information is received, I will submit your loan to the underwriter for review. *Please keep in mind* that the underwriter will ask for more information or clarification on some of the items we submit. *Do not be alarmed* when the underwriter comes back for follow-up documentation. ***This is normal.***
- 7) **Final Loan Approval:** Once the underwriter is comfortable that the file is in order, she will issue final approval. At this point, your loan will move into our closing department.
- 8) **Pre-Closing Consultation:** After approval and before closing, I will call you and review your monthly payment, interest rate, closing costs and cash due at closing. At this point, you will need to obtain an official cashier's check made payable to the closing attorney for the amount of your cash to close. You can get this from your bank.
- 9) **Closing:** YOUR BIG DAY! The actual loan closing is just a formality. You've done all the hard work and now it is time to go and sign your loan documents. You will walk into the closing attorney's office a renter, and walk out a Home Owner!
- 10) **Post Closing:** At the closing, the attorney will explain what happens next. For instance, he/she will give you instructions on how, where and when to make your first payment. He/she will also explain the importance of you filing your homestead exemption at the County Courthouse. This will save you hundreds of dollars every year in property taxes.

Chapter 27

It didn't take long to hear back from the sellers. Kim called Marsha at 10:30 a.m. the next day with the news.

“Marsha, they accepted the offer, as is! They just asked that we close as quickly as possible and that we communicate with them weekly to let them know what is going on. Also, they said that they do want to keep the house on the market in case another offer comes through before you were able to close.”

Marsha breathed a sigh of relief and said, “Good! This is such great news. I just hope nobody gets *my* house before I'm able to get my score up.”

Kim replied, “Marsha, we can't control that. We just have to leave it up to the good Lord and what will be, will be.”

Marsha said, “I know. Ok, I'll let Dave know and will look for my earnest money check to clear. Kim, there's one more thing I'd like to say.”

“Yes Marsha?”

“Thank you. That's all. Just thank you for being there for me and for being such a great new friend. I'm so glad I have you on my side.”

Kim, a little embarrassed, said, “Marsha, I really appreciate your kind words and I consider you a friend, as well. Now don’t you worry about a thing and before you know it, you’ll be moving in!”

Chapter 28

After sharing the good news with Dave, Marsha was on cloud nine. Also, Dave had given her more information explaining some of the items needed for her loan. She read over the list he had printed out for her in preparation for the big day:

- **Appraisal**: An appraisal is a third-party opinion of the value of the home you're purchasing. The appraiser will inspect the subject property and compare it to similar homes that have sold in the area over the past few months. Most of the time, the appraised value will come in right at or just above the sales price. Basically, the purpose of the appraisal is to justify the price you're paying for the home. Most contracts and loan programs require that the appraised value be equal to or greater than the purchase price.
- **Survey**: A survey is often optional on a sale of a home, especially if the subject property is located in a plotted subdivision (with lots). It is a good idea to get one, or at least obtain a copy of a previous survey, if there are fences surrounding your property.
- **Title Insurance**: Title insurance is an insurance policy that is required whenever a mortgage company or bank makes a

loan against real estate. The title insurance policy ensures that clear title has been received when property rights are transferred from one party to another. Also, the title company will do a search to make sure that there are no outstanding liens, judgments, or other items that may affect the ownership of the property. There are two types of title insurance: the Mortgagee's Title Policy, which covers the lender and the Owner's Title Policy, which is optional and covers the new owner of the property.

- **Mortgage Insurance**: Mortgage insurance is required anytime a homeowner borrows more than 80% of the value (or purchase price) of the home. Mortgage insurance, also known as PMI or MIP (For FHA), is usually charged on a monthly basis, but may be charged up front or even financed into the loan. While PMI adds to the cost of homeownership, without it, consumers would not be able to borrow more than 80% of the sales price of their new home. The PMI policy strictly covers the lender in the event of default by the borrower.
- **Flood Insurance**: *Every* time a mortgage is taken out, the lender is required to check the federal flood maps to make sure the property is not in a flood zone. If the property is

located in a federally designated flood zone, a flood insurance policy is required.

➤ **Homeowners Insurance (Hazard Insurance):** This insurance is required whenever you take out a mortgage. In fact, whether you have a mortgage or not, you want to have homeowners insurance. This policy will cover your home in case of fire, burglary, storm damage or other events that affect your house. This insurance is paid on an annual basis, but is collected every month from you as part of your monthly mortgage payment. Your lender will hold the monthly premiums in escrow and will pay to your homeowner's insurance company the amount that is due each year.

➤ **Property Taxes:** Of course, Uncle Sam is going to charge you a tax each year on your property. Just like the homeowners insurance, the property taxes are collected from you on a monthly basis and paid to the government each fall.

VERY IMPORTANT: you must take your recorded deed to the county courthouse in order to file your “**homestead exemption.**” This is the discount you get from the government for your primary residence. Generally, taxes on a homesteaded property amount to about half of the

taxes on a house that does not have a homestead exemption.

- **Home Inspection:** You may choose to have a home inspection completed on your potential new home. It is totally optional and is not required by the lender. A home inspector is simply a professional who goes to the property and inspects the structural integrity of the house, as well as the systems to make sure everything is in good shape and in working order. Many times, home inspections reveal things that are not caught by the naked eye.
- **Home Warranty:** A home warranty is another option that you may request when you purchase a home. This type of warranty covers items in the house, such as the heating and cooling units, as well as appliances and other components that may break during the coverage period.
- **Annual Percentage Rate (APR):** One of the disclosures you sign when you obtain a mortgage loan is the Truth in Lending Disclosure (TIL.) The TIL includes many pieces of information, including the APR. The APR is simply the total cost of your loan including interest, PMI, and other finance charges relating to the purchase of your home. The intent of the APR is to allow you to compare lenders on a

“total cost” basis when shopping for a mortgage. Please keep in mind that the APR is different than your interest rate and the APR will always be higher than the interest rate unless there are no closing costs and no PMI on your loan.

- **Closing Costs**: Closing costs are the fees related to the origination and processing of your loan application. Closing costs include lender fees, as well as third party fees relating to the appraisal, title insurance and recording fees.
- **Pre-Paid Items**: Pre-paid items include your homeowners insurance, property taxes, and the interest you pay at closing. *Note: All closing costs and pre-paid items are disclosed on the Good Faith Estimate of Closing Costs disclosure.*
- **Pre-Paid Interest**: You pay interest from the day of closing until the end of the calendar month. Then, your first payment will be due the first day of the following month. Therefore, the later you close in the month, the less pre-paid interest will be due at closing.

Chapter 29

Two weeks later, Marsha received her secured credit card in the mail. She opened it immediately, activated the card and went to the grocery store to buy some milk, bread and a few other small items. She made sure that she didn't charge more than \$10 on the card. These were the very specific instructions from Dave. That was on a Thursday.

The following Monday morning started the way every other day in the previous two weeks had started. Marsha had no problem getting out of bed, getting the kids to school and making it through her day. She was running on a boost of confidence and she felt like she could do anything.

Shortly after she arrived at work her phone rang. It was Kim. "Marsha, honey, we have a problem." Marsha's heart just about stopped. "The seller's have received another offer on the house."

Marsha's worst fear seemed to be happening right in front of her. All of the praying, all of the hard work, all of the hoping, all of the obstacles that had been overcome didn't matter at that moment. Her dream home was *so* close to being hers and now she saw it slipping away.

Marsha said to Kim with a shaken voice, “What do you mean another offer has come in? How can that be?”

Kim reminded Marsha about the contingency clause that was on their contract. It said that if another offer came in, the sellers could consider and accept other offers as long as Marsha had the condition of financing on her contract.

“Is it a good offer?” Marsha asked nervously.

“Marsha, I’m afraid it is. The people are offering to pay full price and all closing costs. Also, they are pre-approved and would be able to close within 3 weeks.”

“No. This can’t be.” Marsha cried. Marsha dreams were crashing down all around her. “What should I do?” Marsha asked her friend and Realtor.

“Call Dave,” is all that Kim could say.

Chapter 30

“Hall of Fame Lending, this is Angie, may I help you?”

“Angie, this is Marsha Myles, I need to speak with Dave please.”

Angie, sensing that Marsha was upset said, “Hold on just a minute and I’ll put you through.” She quickly connected the call.

Dave’s voice came on the line. “Hi Marsha, this is Dave, how can I help you?”

Marsha broke down. “Dave, I don’t know what to do! Kim just called and the sellers have received another offer and if I don’t provide an approval letter within 48 hours, I’m going to lose the house.”

“Ok,” Dave calmly answered. “Have you received your secured credit card?”

“Yes, it came in the mail last week and I charged a little on it, just like you told me to,” Marsha answered.

Dave, having gone through this with previous clients, knew just what to do. “Ok, I am going to contact our credit reporting company. They have the ability to do what we call a ‘rapid rescore.’ They are going to call the credit card company and verify your account. Then, they will go ahead and update

your scores with the credit agencies. We'll send in our request this morning and should hear something by tomorrow."

"Tomorrow? I sure hope they do it by tomorrow. I have until 9:00 a.m. the day after tomorrow to get the pre-approval letter to the seller and to keep my contract. Dave, I don't know what I'm going to do if this falls through," Marsha panicked.

"Marsha, please don't worry. The credit card company got you your card pretty quickly and you did exactly as we discussed. Try to stay calm and I'll get working on it right away."

"Ok. Dave, please call me the minute you hear something," Marsha anxiously said.

"I will Marsha. I will," Dave confidently said.

Marsha hung up the phone and her thoughts went immediately to her kids. They were so excited about getting the new home. She started thinking to herself, "If this house falls through, surely there will be another one that would take its place."

She then stopped and said a little prayer. The little prayer turned into a long prayer and time of reflection and communion with God. When it was all said and done, she

knew that whatever happened was going to be ok. This was all about the process of learning to trust in God. She thanked Him, smiled and went back to work.

Chapter 31

Kim called Marsha later that afternoon to touch base with her client. “Marsha, did you talk with Dave?”

“Yes, I did. He’s going to contact the credit reporting company and see if they can go ahead and update my credit score,” Marsha answered.

Kim said, “Ok, how long did he say it would take?”

“Dave told me that we should hear something by tomorrow morning. I am really hoping that will be the case.”

Kim replied, “Good. I trust and believe that what Dave says he will do, he will do. That is why I’m glad you are using him for your financing, Marsha. Rates and fees are important, but there is no substitute for good service and great advice. You just can’t find that everywhere.

“How are you doing, Marsha? Are you ok?” Kim asked.

“I’m fine,” Marsha quickly and confidently responded. “Whatever happens, I will be fine.”

“Life is always unpredictable, but it is *never* boring!” Kim laughed.

“You are *so* right, Kim. Over these past few weeks, I have really come to understand that it is not about what

happens to you in life, but more about how you respond to it that really matters,” Marsha said, feeling the truth of her words really sinking into her heart.

“Yes! And you know what? If you are committed to something – like buying a home for your family – and you want it bad enough, you will find a way. Once God lights a fire in your heart for something, that fire is not easily put out. He will lead your footsteps down the right path, even if you are not sure at the time where you are going.”

Marsha smiled at Kim’s words of encouragement. She thought to herself, “Yes, life is interesting. Life is good.”

Chapter 32

Marsha kept to her normal routine that night. She didn't let the kids know what was going on. Marsha saw no reason to alarm them, especially Jessica, when it was not yet known what was going to happen. Surprisingly, Marsha slept well that night. She was at peace with whatever the next day brought.

The next morning, she woke up, went to work and waited for Dave to call.

By noon, Dave had not called. Marsha brushed it off and went about her work. By 2:00 p.m., with still no word from Dave, Marsha began to wonder. When he hadn't called by 3:30 p.m., she began to worry. At 4:30 p.m. her worry turned to all-out fear. Fear of the realization that perhaps her dream was not meant to be. Then, she remembered what the word **FEAR** meant: *False Expectations Appearing Real*. She was imagining a situation that may or may not become reality. She shrugged her shoulders and called Dave.

Dave let her know that he had been on the phone a few minutes earlier with the credit reporting agency and they had trouble getting in touch with the credit card company. But, the good news was they had finally received the information they

needed and they sent it on in to the credit bureaus. Dave told Marsha that first thing in the morning, they should be able to pull her credit and see what the new scores would be. They agreed to meet at Dave's office at 8:00 the next morning. Kim would be there, too.

Chapter 33

Marsha didn't sleep quite as well that night as she had the night before. The stress and drama of waiting all day took its toll. This whole thing was very difficult to deal with and she decided that she would be glad when it was over, no matter what the result.

As Marsha drove to Dave's office, she took a detour and went down Juniper Street. She stopped in front of the house. There were kids up and down the street waiting on the school bus. She could envision her kids standing there and imagined herself waving to them from the front porch. Feeling the tears start to well in her eyes, Marsha took a deep breath and put the car into drive and headed to Hall of Fame Lending.

She got to Dave's office at 8:05 a.m. Kim and Dave were drinking a cup of coffee and both looked up as Marsha entered the door.

"Marsha," Dave exclaimed. "We were beginning to wonder about you."

"I got stuck in traffic," Marsha replied.

"Well," Dave said, "let's go ahead and get this show on the road."

Dave entered Marsha's information into the credit reporting website. At this point, the situation was too surreal for Marsha to be worried. She knew that none of this was under her control and what will be, will be. As Dave hit the enter button, the three patiently waited.

Dave spoke up and said, "Marsha, can I get you some coffee?"

"DAVE!" Kim and Marsha yelled in unison.

"I'm just kidding." Dave said with a smile. "Marsha, your credit scores are 628, 618, and 632."

"Dave, what does that mean?" Marsha asked cautiously.

With a smile as big as Texas, Dave said, "You are pre-approved."

Marsha and Kim jumped out of their chairs and hugged each other. Marsha practically jumped over Dave's desk and gave him a hug as well. Kim and Dave shared a high five.

Kim suddenly remembered that they had to get the pre-approval letter to the other agent by 9:00a.m.; only thirty minutes away. As Dave worked on the pre-approval letter, Kim called the listing agent and said, "It's on its way. She's preapproved and that house is *ours!*"

Chapter 34

As Kim raced the pre-approval over to the listing agent, Dave and Marsha continued their meeting. “Ok, so what next?” Marsha asked.

“Well, Marsha, we move full steam ahead. We’ll go ahead and order the appraisal. We have not done that yet because we didn’t want to spend the \$400 unless we were certain we would be closing. Also, we’ll go ahead and get the title insurance and set the closing up for April 20,” Dave explained.

He continued, “The only thing I need for you to do now is meet with an insurance agent and go ahead and get your home owner’s insurance policy in place. Do you have an agent in mind?”

“No, I have my auto insurance through an internet company. I don’t have a local agent. You did such a good job getting me in touch with Kim. Who do you recommend?”

“I have two close friends in the business and they are both great. One is Todd McComb and the other is Michael Murphy. Both are honest and take pride in customer service. Also, their companies each have very good rates.” Dave wrote

down their names and numbers for Marsha and handed them across the desk.

“Ok, I’ll give them a call.” Marsha said, placing the numbers in her purse.

Chapter 35

Not wanting to waste time, Marsha decided to stop by Michael Murphy's office on the way to work. He talked with her about coverage amounts and deductibles. Michael reminded her that the insurance would be paid at closing and billed by the mortgage company every month and held in escrow. Marsha went with a \$500 deductible and her annual premium was even less than Dave had estimated. Her actual premium turned out to be \$550 per year and \$45 per month. Michael said that because Marsha had decided to move her auto insurance with his company, she would also receive a discount of 30%. The prospect of saving more money was music to Marsha's ears.

They also briefly discussed her overall finances. Michael told Marsha, "One of the reasons Dave recommends me is because of the consultative approach I take with my clients. It very much compliments Dave's style and philosophy of financial planning. Also, I believe that financial planning is not only for the wealthy, but for all Americans."

Michael reviewed Marsha's life insurance and she took out a policy for the amount of the new mortgage plus another \$50,000. This would help Rosie take care of the kids if

something were to happen to Marsha. Also, Michael recommended that Marsha open a 529 College Savings Plan for Jessica and Jacob.

Michael took a look at Marsha's disability plan offered through work and they decided it was nowhere near enough to cover her bills in case of an accident or illness. Marsha was shocked when Michael told her, "Did you know that disability is the #1 cause of foreclosure in the country?"

Overall, it was a great meeting. Marsha was glad that Dave had recommended Michael Murphy. In her book, Dave Miller at Hall of Fame Lending was not only good at *his* job, but he also knew excellent resources and other professionals who could help his clients achieve their goals.

Chapter 36

About a week later, Marsha received a package in the mail. She read the cover letter immediately.

Dear Marsha,

It looks great! We just received the appraisal for your home. You will find a copy attached to this letter.

Your appraisal includes two values: the **Appraisal Value** and the **Replacement Cost**. Replacement cost is the estimated cost to replace your home and does not include the value of the land. Knowing your replacement cost is helpful when talking with your insurance agent about Homeowner's Insurance.

****FYI – For the purpose of your mortgage loan, your homeowner's insurance coverage cannot be less than your replacement cost or your loan amount (whichever is less).**

I or someone at my office will contact you prior to your closing date to let you know where to go, how much you will need to bring and to confirm the terms of your loan. If you are now or become aware of any changes in your closing date, please inform me immediately.

Make it a great day!

Dave

Miller

Hall of Fame Lending

Chapter 37

The following Monday, Marsha received a follow-up email from Dave with a status update. He let her know that there were no issues with her appraisal.

Currently, he was verifying employment with her employer. He assured her that this happens frequently when a borrower has a variable income, such as commissions, overtime or different incomes based on shifts. As a nurse, Marsha worked on shifts and often worked overtime.

The message explained that as soon as Dave heard back from her employer, he would forward her loan package to the underwriter. The underwriter would process the paper work within 48 hours and get back to Dave with any additionally needed documentation.

After reading the email, Marsha made a few notes for herself on her calendar. April 20 was drawing closer and each day she was more and more excited.

Chapter 38

Kim, Rosie and Marsha met Friday night for dinner at their favorite Mexican place. Over margaritas and tacos, they joked, laughed and even cried a little. Marsha and Rosie talked about their parents and how proud their mother would be when Marsha told her about the house.

Marsha had decided from the beginning not to talk about her plans with her mom. She wanted to make it a surprise and planned on picking her up and taking her to the house the day of closing.

The three women talked at length about the kids and how much they would enjoy living on Juniper Street. The neighborhood, besides from being right down the street from the school, was one of the most family-friendly neighborhoods in Rockbridge.

They stayed longer than expected, but enjoyed every minute of their dinner. Finally, Marsha said, “I better get going. I bet my babysitter is wondering what happened.”

“Yeah, me too,” Kim said. “My husband is probably wondering the same about me.”

Rosie spoke up and said, “I told my husband not to expect me home early. I told him that we had lots to talk

about!” The three laughed together, said their goodbyes and headed home.

Chapter 39

The next day Marsha got a quick email from Dave letting her know the information came in from the hospital and that they were submitting her loan to the underwriter. Two days later, Marsha came back from her rounds and noticed that Dave had left a message on her cell phone. She immediately called back and Angie put her right through.

“Hi, Marsha,” said Dave.

“Hi, Dave. I got your message. What’s up?”

“Good news, Marsha. The underwriter gave us a conditional loan approval. This means that your loan is approved pending us getting a few things back to her. This is a good thing and what we expected.”

“Great, so what does she need?” Marsha quickly grabbed a notepad and her pen.

“Not too much, actually. She is asking for a letter explaining an inquiry on your credit, she wants a better copy of your W2 from last year and the Alabama Housing Finance Authority needs a statement from you saying you do not receive child support. Everything else needed, I can pull together and submit.”

Marsha said, “That’s not too bad. I’ll get these things together for you and will drop them off tomorrow.”

“Sounds good” said Dave.

The next day Marsha took Dave the requested information. While she was there she asked him if he knew how much money she needed to bring to closing. He gave her an estimate and let her know that they wouldn’t know the exact amount until the closing attorney prepared the HUD1 Settlement Statement before closing.

Chapter 40

Dave Miller of Hall of Fame Lending was about to make the call he enjoyed most. He was calling his client, Marsha Myles to tell her that her loan had received final underwriting approval and was clear to close.

“Marsha, congratulations! You are going to be a home owner!” is all he said.

Marsha nearly dropped the phone. Until that moment, she had been waiting for something to go very wrong. She had almost lost the house a couple of weeks earlier and had been very guarded about the whole situation. As soon as she was able to speak, she said, “Dave, I don’t know what to say. Thank you!”

“Marsha, thank *you*. You are the one who did what you had to do to get in position to buy a house. You are the one who made it happen, persevered, and saw this thing through. I am very proud of you.”

“Dave, I couldn’t have done it without your help. For that, I am eternally grateful.”

Next, Dave called Kim. He enjoyed calling his Realtor friends with the good news almost as much as he enjoyed calling their mutual clients. “Kim, Marsha is clear to close.”

“Outstanding, Dave! Great job,” exclaimed Kim in her usual enthusiastic way.

They both agreed that Marsha was a joy to work with and they wished that they had more clients like her. She not only had a great attitude, but followed through and did everything they asked. This team approach worked perfectly and the results would be a closed loan with Marsha Myles and family joining the ranks of homeownership.

Chapter 41

It had arrived; the day Marsha Myles had waited for her entire life. She and her sister, Rosie arrived at the closing attorney's office about 15 minutes early. Each enjoying the complimentary bottled water, the two sisters chatted for a few minutes before Kim arrived.

As usual, Kim was on her cell phone working on a deal; this time, arranging a termite inspection for her latest client. When she was done, she exchanged pleasantries with Marsha and Rosie. The ladies then resumed their chat from the other evening.

They stopped talking and looked up when a young couple and their three school-aged children walked in the law office. Over hearing their names as they introduced themselves to the receptionist, Kim knew right away they were the sellers of the house on Juniper Street. Kim stood up and introduced herself to Tom and Nancy Andrews and their two boys, Robert and Kenneth, and daughter, Olivia. Kim then turned and introduced the family to Marsha.

“Oh! Marsha,” Mrs. Andrews said, “You are going to absolutely love your new home. That is a special home. We had some great years there. The kids were born when we lived

there and we spent many Christmases and Thanksgivings and birthdays in that kitchen and dining room. I hope you enjoy it as much as we did.”

Marsha said, “Thank you, Nancy. My kids and I are really looking forward to moving in. I have a good feeling about that place. The whole street seems so friendly and it is a place where I look forward to raising my kids.”

Tom spoke up, “It really is a great street. All of the families are friendly. We all got along great and the kids played well together.”

Mrs. Andrews gave a quick rundown of each of the houses on the street and their occupants. She knew everyone’s name and a little something about each family. Marsha’s feelings about the home increased knowing that there was a strong feeling of community amongst the neighbors.

The closing attorney called the group back where they all took their seats around a large, oak conference table. The attorney, Richard Atkinson, was very nice. The group had a very friendly conversation as they waited for the final paperwork to be distributed around the room.

Marsha remembered from Dave’s notes that the actual loan closing was simply a formality; just a bunch of papers to

be signed. At the end, the Andrews' gave Marsha their extra set of keys and a few notes about the house. Marsha could tell that this was an emotional day for their family, as well. As they left, Mrs. Andrews had tears in her eyes as Mr. Andrews took the kids by the hand and the family walked out of the office and into the next chapter of their lives.

Similarly, Marsha Myles walked out of the law office with a few tears, too. Holding the hand of her beloved sister, she walked into the next chapter of her life.

Chapter 42

Surprisingly, Marsha did not drive directly to Juniper Street. She and Rosie went to their mother's apartment.

"What's going on, you two?" Mrs. Myles asked.

"Oh nothing, mom," Marsha said, "We just wanted to surprise you!"

"Well you did that! Now tell me what's really going on?"

Marsha simply smiled at her mother and asked, "Do you want to go with us for a ride?"

"To where?" the confused mother said. "You're not putting me in Heritage Shores Nursing Home are you?"

"Mother!" Rosie and Marsha said, laughing slightly. "Of course not. We just want to include you in on something."

Rosie said, "Momma, what did you always tell us when you didn't want us to know where you were going?"

"I'd say, I'm going to see a man about a dog," Mrs. Myles replied.

"Well," Rosie said back, "Let's go see that man about that dog!"

"Let me get my purse," The elder lady relented.

On the way into town Rosie asked Marsha to pull into the local mall. Marsha gave her a puzzled look, but did as Rosie requested.

“What are you doing?” Marsha finally asked when she pulled into a parking spot.

“I’m going to see a man about a dog,” Rosie smiled. “Actually, I’m going to get you a little gift. You and mom stay here.”

A few minutes later Rosie walked out of the mall and opened the back seat of the car. She was holding a small kennel with a frightened and yelping 6-week old black Labrador retriever. It was Marsha’s house warming gift from her sister. Actually, it was a gift for Marsha *and* the kids.

Marsha then drove towards the school to pick up the kids. As Marsha led Jessica and Jacob out to the car, they noticed Aunt Rosie and Grandmother Myles in the car. They didn’t notice the little box their aunt was holding. That was, they didn’t notice it until they got in the car.

“Mommy, is that a doggie?” Jacob excitedly asked as he ignored his grandmother and aunt’s greetings.

“Yes it is,” Marsha said.

“But-” Jessica began as her mother interrupted.

“It’s yours, kids; all yours. I’ll explain later.” Marsha smiled broadly, got into the seat and drove the short distance to Juniper Street.

The kids poked their little fingers through the holes of the kennel as the scared dog shivered. They didn’t notice where they were going and Mrs. Myles never asked any questions. She figured that it wouldn’t do any good, anyway.

Before long, Marsha pulled the car into the driveway of the home on Juniper Street.

“Welcome home,” Marsha said.

Jessica, finally looking up and noticing where she was and said, “Mommy, is that our house?”

“Yes, baby, that’s our house,” Marsha answered happily.

Jessica took a great huge gasp of air and said “OH MY GOODNESS!” The kids poured out of the car and ran around the front yard. Marsha, Rosie and Mrs. Myles followed, bringing the puppy crate.

Jacob suddenly said, “There’s Josh!” It was Joshua Jones, one of the Jacob’s classmates.

Josh ran up when he saw Jacob and said, “Hey Jacob, what are you doing?”

“I live here,” Jacob said as a matter of fact.

“Oh,” the neighbor boy said. “Do you want to ride my bike?”

“Sure!” With that, the two classmates became neighbors and went off to play. It was just another day in the neighborhood.

“Marsha, what’s going on?” Mrs. Myles asked with a hint of confusion.

“Today, I bought this home, Momma.”

“Really?” Mrs. Myles exclaimed, trying unsuccessfully not to cry at her daughter’s success and happiness.

“Yes, Momma,” whispered Marsha, already crying, too.

Rosie and Jessica took the puppy into the big backyard. Marsha Myles and her mother walked arm and arm until they got to the house. Marsha took one of the keys Mrs. Andrews gave her and unlocked the door. The “For Sale” sign lay in the carport. Marsha and her mother walked in the house.

As Mrs. Myles looked around, Marsha spoke up and said, “Momma, I want you to move in with us.”

Without hesitation, Mrs. Myles said, “Marsha, thank you. I really appreciate you asking me and I know you love me and would welcome me with open arms. But, this is your place

and I want you and the kids to enjoy it. You deserve it. Who knows, I may want to move in with you one day. But for now, I've got my place across town and think it is best for me to stay there. Besides, it is time for the children to enjoy rooms of their own." The wise lady smiled proudly at her daughter.

"I'm so proud of you, Marsha. And, I know your father would be proud of you too." The mother and daughter stood in the home and hugged each other for a long time. Sharing that moment in Marsha's new home would forever be remembered as one of the greatest moments of both of their lives.

Chapter 43

Conclusion – 8 Months Later

The fireplace was warming the entire house as the wood crackled and popped brightly. Christmas cards hung along the mantle and the smell of a fresh-cut fir filled the room. Among the treasured cards were ones from Dave Miller, Kim McMurray and even the former landlord Mr. Washington. The kids were playing with the toys that they had opened earlier that Christmas morning; their first Christmas in their new home.

Mrs. Myles, Marsha and Rosie cooked Christmas dinner in the spacious and beautiful kitchen. Marsha couldn't help but remember how small her kitchen in the old apartment had been in comparison. They cooked ham, sweet potato casserole, creamed corn, green bean casserole and dressing. Mrs. Myles had baked her famous pecan pie.

A few family members came over, including Mrs. Myles' sisters. Virginia brought over her delicious red velvet cake and Mildred brought some of the freshest and best yeast rolls anyone had ever tasted.

The dog, who Jacob named Bryant, played in the back yard. The kids got what they had wanted for Christmas: new bikes to ride up and down Juniper Street.

Reverend and Mrs. Jackson stopped by with their four kids that afternoon to visit. The men watched football as the ladies sat in the kitchen talking and the kids played outside. Before leaving, Reverend Jackson said a little prayer thanking the Lord for Marsha and her family. He also thanked Him for providing not only what was needed, but also for fulfilling the deepest desire of Marsha's heart.

Later that night, as Marsha sat alone by the fireplace of her new home, she couldn't help but think of Mrs. Richardson, the patient she had met at work weeks earlier in Room 388.

She remembered Mrs. Richardson saying over and over, "Go for it. Just go for it, Marsha." It was at that moment that Marsha knew that she had done just that and promised herself not to ever forget that sweet lady in room 388.

She looked around the room and she breathed a deep and contented sigh. Yes, life was good on Juniper Street.

About the Author

As a Mortgage Consultant Brent Sute specializes in first-time and move-up homebuyers, and focuses on educating his clients on obtaining affordable and sustainable mortgage financing while still being able to achieve their other financial goals.

Brent has over 17 years experience in banking and mortgage lending. In 2006, he was elected to the national board of directors of *Lenders Who Care* where he currently serves as the Director of Education. He was Alabama's first *Certified Mortgage Planning Specialist*. Brent graduated from Alabama Banking School in 2004 and Todd Duncan's High Trust Sales Academy - San Diego in 2005. In November, 2008 Brent was a panelist at Mastery Business Plan 2008 in Las Vegas. Brent's awards span from the Chairman's Club and President's Club to Fair Lending Award and Customer Service Award. In 2002, he received the Jack Davis Professional Achievement Award from The University of Alabama and in 2009 Brent was named the Tuscaloosa Entrepreneur of the Year by the Women's Council of Realtor's.

Brent is a regular presenter on coaching and educational webinars for the leading mortgage planning software Mortgage Coach.

Brent is the author of the book "Finding Your Way Home: A Story of Homeownership" and teaches consumers and

other industry professionals about mortgage and financial related topics through workshops and webinars.

Brent graduated from the University of Alabama in *Family Financial Planning and Counseling* and is an active member of Trinity Church in Tuscaloosa where he has served as a deacon. He spends his summers coaching his boys' baseball teams and is an avid fan of the Alabama Crimson Tide. Brent and his wife Kellie have 5 children: Jordan, Hunter, Carson, Conner, and Allie Grace. Brent is originally from Foley, AL and now resides in Tuscaloosa, AL.

Contact Information

Feel free to contact me with any questions or comments or if you would like to pre-qualify for a home loan.

Also, please let me know if you would like information regarding live workshops based on the concepts discussed in the book.

If you are a loan officer, real estate agent, or other housing related professional and would like information regarding volume discounts for the book, please let me know.

Brent.Sute@gmail.com

www.FindingYourWayHome.us

205-310-2335

For educational resources,
including information regarding
live workshops, go to

www.FindingYourWayHome.us

To Receive a **FREE Customized Mortgage
Affordability Calculator**, please email me at

Brent.Sute@gmail.com

Mortgage Loan Affordability Worksheet	
<small>By: Brent Sute Certified Mortgage Planner; 205-310-2335; bsute@hengerrast.com</small>	
Client's Name: Brian and Jennifer Smith	
Total Monthly Net Income (After Deductions):	\$3,124
Current Cash Reserves:	\$5,000
Target Cash Reserves Next 12 Months:	\$10,000
Non-Preferred Debt (credit cards, high interest loans):	\$0
Target Months To Pay Off All Non-Preferred Debt:	12
Other Monthly Loan Payments:	\$500
Other Expenses (Food, Utilities, etc.):	\$1,000
Available Down Payment:	\$0
Target Mortgage Interest Rate:	5.500%
Estimated Taxes, Insurance, PMI:	\$100
Suggested Maximum Mortgage Payment (P&I):	\$1,107
Recommendations:	
Suggested Maximum Mortgage Payment (PITI):	\$1,207
Suggested Additional Monthly Cash Savings:	\$417
Monthly Payment Towards Non-Preferred Debt:	\$0
Recommended Loan Amount:	\$195,025
<small>(Loan amounts and sales prices are suggestions only. Only borrow what you feel you can afford.)</small>	
Recommended Sales Price Range:	
Minimum:	\$185,274
Mid-Range:	\$195,025
Maximum:	\$204,777
Plan Your Mortgage....Achieve Your Dreams	

A portion of the profits from the sale of ***Finding Your Way Home: A Story of Home Ownership*** will be donated to two very worthy non-profit organizations, including ***HERO and Lenders Who Care:***



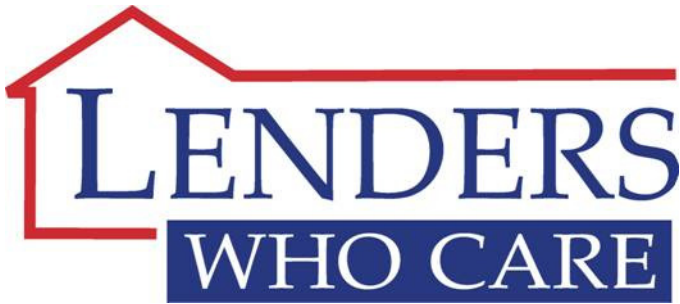
www.herohousing.org

HERO empowers families to create change in their built environment through increased accessibility of information and education about homeownership, home repair and rental assistance programs. As a non-profit housing resource center, HERO provides HUD and state certified one-on-one counseling, group workshops and outreach to residents of Hale County.

"First time home buyers need encouragement to believe they can own a home. This story of inspiration can be used by each hopeful family wanting to make a positive change. The story of Marsha Myles in Finding You Way Home is an inspiring step by step guide each of us can follow to learn the process of home ownership, recognize the common fears we face and with perseverance succeed in purchasing a first home.

Creating a safe home for our families is the illusive goal of so many. Brent Sute, Certified Mortgage Planner, uses his years of experience in service to lead each of us on a guided journey to home ownership through his book. First time home buyers can learn the process of buying a home while feeling inspired to create change for their families. As a HUD Certified Housing Counselor I see families everyday that want to make the change from renting to owning. I now recommend this book to each of them!"

Pam Dorr, Executive Director, HERO Housing

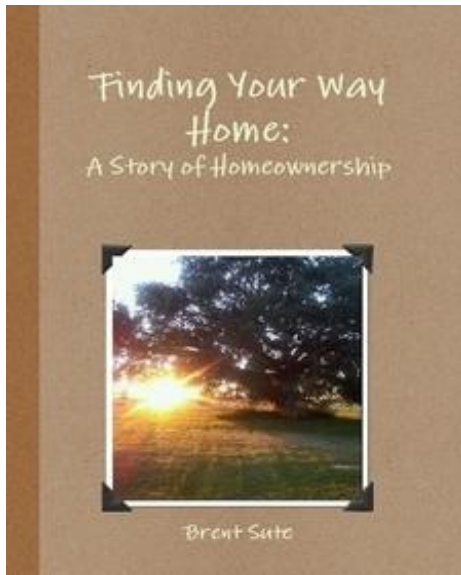


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We believe that you deserve to own a home affordably! **Lenders Who Care** is a non-profit, trade organization of mortgage lending professionals. Our members are dedicated to strengthening families and the communities they live in by providing information on affordable home ownership. We promote ethical conduct and continuing education for mortgage lenders and provide clarity and guidance to consumers seeking a mortgage loan.

We offer national directories of affordable lending programs, housing agencies, and certified LWC lenders who are committed to the highest levels of professionalism and ethical conduct.

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Finding Your Way Home:

The Workbook

Look for the workbook companion to Finding Your Way Home: A Story of Homeownership. This workbook will consist of a step-by-step approach to owning your home based on the principles taught in the book. We will be using the workbook to teach live workshops, webinars, and self-study programs.

For more information, please visit:

www.findingyourwayhome.us

"I've had the privilege of knowing Brent Sute from his beginnings in the mortgage industry. His accomplishments in the business have been nothing less than extraordinary.

However, this book takes the cake! "Finding Your Way Home," is a must read for industry professionals, as well as all of those out there whose dream is home ownership. If I were in real estate, I'd buy a copy for EVERY potential new home owner I was working with."

Todd Murphy, State Farm Agent

"Brent's book is the most compelling heartfelt story of the dream of homeownership available today. Every Realtor and future homeowner should get a copy and read it today!"

Tim Davis

Host of the Radio Program "The Originator's Guide"

Marketing and Motivational Coach

Regional Manager – Bank of America

