



Consumer Credit Counseling Service of Maryland and Delaware, Inc.

FOR IMMEDIATE RELEASE
June 15, 2017

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Nonprofit Guidewell Financial Solutions Offers Homeownership Trends and Tips to Empower Working Families and Young Adults

(BALTIMORE, MD) - A Genworth Mortgage Insurance study recently found that in the past 10 years, three million first-time American homebuyers have been shut out of the home purchase market. Many of these buyers were young adults or members of middle or low-income communities. However, positive things are happening: This past quarter, first-time homebuyers represented almost 38% of the purchase market, up three percent from the historic U.S. average. This change is due in part to a shift in attitude: As young adults age, they are marrying and starting families, so they need more space and are looking for a home in which to settle. Rebelling against the high cost of rent, they are suddenly more motivated to buy. Nick Beser, Director of Housing and Community Development at nonprofit Guidewell Financial Solutions says, "Today's young adults and working families may need help buying a home. The good news is that ownership is now within their grasp, because the market is beginning to listen to their needs."

[Guidewell Financial Solutions](#) (also known as Consumer Credit Counseling Service of Maryland and Delaware, Inc.) offers three trends and tips to help prospective buyers prepare to own:

Trend #1: A good credit score is still important.

Many factors affect buyers' ability to qualify for a mortgage. Lenders usually consider their income and employment. Their FICO credit score also has a significant impact on whether they are approved for a mortgage and the interest rate and loan terms they receive.

Beser, who has worked in the mortgage arena for the past 16 years, says, "Normally the lower the credit score, the higher the interest rate. The higher the interest rate, the higher the payment. This is important, because the size of your monthly payment can limit the size of home you're able buy. It may even help decide the community where your family can afford to live."

HomebuyerTip: To avoid unpleasant surprises, Beser recommends that homebuyers request and review their Equifax, Experian, and TransUnion credit reports several months before house hunting. He says, "This is the information on which your credit score is based, so you may need time to dispute possible inaccuracies. Also request and review your FICO credit score."

To qualify for a mortgage with a low interest rate and great features, consumers generally need a FICO score of 720 or above. Beser says, "When it comes to credit building, even small changes can lead to improved results. For example, regularly paying your bills on time is vital, because your bill paying history accounts for 35% of your FICO score. Also take control of your debts. Here at Guidewell, we provide comprehensive [housing counseling](#) that includes free [budget and credit counseling](#) to help you do this. We also offer a debt management program for clients who have

serious money problems and a [credit building product](#) to help people establish or develop better credit.”

Trend #2: Affordable loan products are now available.

According to Zillow, the average monthly mortgage payment is less than the average rent payment in 33 out of the 35 largest U.S. markets, possibly making this a great time to buy. However, many young adults and working families are not able to come up with a 20% down payment. Young adults age 20 to 26 owe an average of \$10,205 in student loan debt, and although 80% of young renters in a recent Apartment List survey said they’d like to buy a home, two-thirds haven’t saved enough funds to finance one any time soon.

Beser believes that public and private loan sources recognize this problem and are developing new products to help these consumers overcome the down payment hurdle. He says, “Mortgage products that include down payments as low as three percent are now being offered to help low and middle income communities and young adults attain homeownership. Coming out of the recent recession, loan providers also understand that offering a lower down payment involves risk; however, they see homeownership education as a powerful deterrent to default.”

Homebuyer Tip: Beser recommends that homebuyers carefully research possible mortgage options. “Federal loan programs such as FHA, VA, and Fannie Mae’s Homeready Mortgage make it easier to lock into a mortgage without a sizable down payment. Check out which lenders offer these programs or have products of their own. Also ask about State and local incentive programs that may reduce your down payment or interest rate. To qualify for these, you generally have to complete a homeownership course and housing counseling with a HUD-certified nonprofit agency like Guidewell. We offer housing counseling, on-site workshops in Howard County and Baltimore City, and online education through [eHome America](#).”

Trend #3: Knowledge is the key to sustainable homeownership.

HUD-certified homeowner education and counseling help consumers understand the home buying process and make better informed decisions. Beser says, “Consumers who have always rented often aren’t aware of the costs of owning. They need to understand that financing a mortgage is just the first step. Once they move in, they will also have taxes, insurance, and maintenance costs as well.”

Evidence shows that effective homeowner education and counseling helps clients improve their credit scores, save more toward down payments, expand their housing searches, avoid risky purchases and financing, reduce their housing costs, and avoid delinquency, default, and foreclosure.

Homebuyer Tip: Not all homeownership education and counseling programs are alike. It’s wise to choose an agency that offers personalized support and a variety of educational options. Beser says, “Buyers who receive homeownership counseling and education from us walk away with a clearer understanding of what it takes to buy a home and sustain homeownership.”

To learn more about Guidewell Financial Solutions’ homeownership program or enroll in its eHome America course, visit the agency’s [website](#). To make a housing counseling appointment, call 1-800-642-2227 (check phone number.) Beser says, “Becoming informed can save you thousands of dollars and help you succeed once you own.”

About Guidewell Financial Solutions

Guidewell Financial Solutions (also known as Consumer Credit Counseling Service of Maryland and Delaware, Inc.) is an accredited 501(c)(3) nonprofit agency that helps stabilize communities by creating hope and promoting economic self-sufficiency to individuals and families through financial education and counseling. Maryland License #14-01 / Delaware License #07-01