

A photograph of a family of three—a man, a woman, and a young child—seen from behind, looking out a window. The man is on the right, wearing a light purple t-shirt. The woman is on the left, wearing a grey hoodie. The child is in the middle, wearing a white t-shirt. They are all looking towards a bright window with a view of greenery outside.

# A quick guide through our **HOME LOAN** PROCESS



Creating Ownership and Economic Opportunity  
with Fair and Responsible Home Loans

# WHY WE MAKE HOME LOANS.

The most common way to build wealth is to own your home. So, as part of our mission to create economic opportunity, we provide all types of loans to people, many of whom may be outside the comfort zone of typical banks.

## WE LOOK AT OUR CUSTOMERS SEEKING LOANS AS INDIVIDUALS, NOT AS NUMBERS.

To be able to say “yes” when others might say “no”, we may ask for more information than you would expect. (Think about it: Getting to know someone as an individual requires knowing *more* about them, not less.)

It can be frustrating giving us everything we ask for. Keep in mind it’s because we’re looking out for you, not just ourselves. This is the biggest purchase of your life. The last thing you want is to lose your home because you’re in over your head with a mortgage you can’t afford.

So hang in there. We’re on your side.

# HERE'S THE KIND OF INFORMATION WE'LL NEED TO MAKE YOUR LOAN:

**EARNINGS:** We need to see that you earn enough to make payments month after month. This means your income from a full-time job and any other job you have, plus self-employment income, overtime, and any other source, including things like retirement benefits, child support and public assistance. For each source, we'll need printed documentation (like check stubs).

**SAVINGS:** We need to see that you have the savings to pay your new mortgage plus any obligations, such as utility bills and insurance. What's best is to have enough savings to cover your down payment, plus several months of mortgage payments just in case. Depending on your income and credit history, we may be able to help you receive down payment assistance.

**BILL-PAYING:** This is information about your financial history. Have you paid back money you've borrowed in the past? Have you been late making payments? Have you filed for bankruptcy? Are there judgments against you?

If you've had credit issues in the past or if you have no credit history at all, we can still consider you. We just need to see that you've learned from past credit mistakes and are now on a more stable path. (This is another way we're different from typical lenders.) We might even ask to see paid receipts and canceled checks for rent and utility payments to document that you've been paying your bills on time.

# TYPES OF SELF-HELP HOMEOWNERS:

## **THE MANUFACTURED HOME BUYER**

After renting a house for 12 years, I decided it was time to get a mortgage and build savings. (I was tired of feeling like my money was going down the drain!) So I started looking for a manufactured home close to the area where I work as a home health aide. I found a house that was just renovated. Right away, I could picture myself living there. I was nervous about applying for a mortgage because I've had some credit problems. But my Self-Help loan officer really worked with me. She didn't just listen to me. *She heard me.*



## **THE FIRST-TIME HOMEBUYER ON A BUDGET**

My job as a flight attendant doesn't pay a lot of money, but I love it. My schedule is kind of crazy, so my Self-Help loan officer met me after hours at an airport restaurant to take my application. It turned out my income made me eligible for a subsidized, low-interest rate FHA mortgage. My loan officer helped me figure out how to borrow my down payment from my retirement account. Then she helped me get on a payment plan to pay some back taxes. It was such a relief to have someone I could trust guiding me through the process.



## **THE TRAPPED-IN-A-BAD-MORTGAGE HOMEOWNER**

We found ourselves stuck in an adjustable rate mortgage. Our rate had climbed to 11% — and could go as high as 16% (but never lower than 10%). Self-Help put us in a fixed rate mortgage at only 6.5% — and they agreed to escrow our taxes and insurance, so we don't get stuck with nasty, big bills twice per year. We have good credit and we deserve a good loan. Self-Help recognized that. Now, we have peace of mind.



## **THE SELF-EMPLOYED BUYER WITHOUT A TRADITIONAL CREDIT HISTORY**

I'm a self-employed painting contractor. My family moved from Mexico six years ago. My wife stays home with our kids and helps me with the business when she can. We were looking for a nice home in a safe neighborhood with good schools. You know, the American Dream. Since I don't like to borrow money, I don't have any credit. Self-Help understood this. They were able to use my rental history and utility payments to approve us for a home loan.



## **THE FIXED-INCOME RETIREE**

I called Self-Help for my loan because I'm on a fixed income and have had some credit problems as a result. But I found a house that was for sale because the bank had foreclosed on it. I never thought I'd be able to afford my own home until I found that house — it was only \$34,000. Self-Help listened to my whole story, not just my credit problems. Now I'm a homeowner and my mortgage payment is only \$340 (a lot less than the \$475 I used to pay for rent).



WHAT WE  
MEAN BY

**FAIR AND**

A LOAN WITH MONTHLY PAYMENTS YOU CAN  
**MAKE COMFORTABLY.**

That means you should still be able to afford groceries, birthday presents, and the movies once in a while.

**A FIXED INTEREST LOAN.**

That means an interest rate you can count on today *and* five years from now. Adjustable Rate Mortgages (or “ARMs”) can balloon up after 3 or 4 years, putting your homeownership in jeopardy.

A LOAN THAT ENABLES YOU TO  
**BUILD WEALTH.**

That means every time you make a payment, you should be decreasing your “principal balance” (the amount of money you borrowed). The combination of your home increasing in value and your loan decreasing in balance is what allows you to build a nest egg.

# RESPONSIBLE

IF WE DON'T THINK WE'RE THE BEST PLACE  
FOR YOU TO GET A LOAN,  
**WE'LL TELL YOU.**

If we believe your credit will allow you to get a lower interest rate, we'll refer you to another lender.

IF WE CAN'T GIVE YOU A LOAN,  
WE WON'T JUST SAY NO.

We'll provide a homeownership or refinance action plan that will help you take the steps you need to get a loan later.





**WE CREATE  
OWNERSHIP  
AND ECONOMIC  
OPPORTUNITY  
WITH FAIR AND  
RESPONSIBLE  
HOME LOANS**

**To apply for a home  
loan from Self-Help,  
call a loan officer at the  
office nearest you.**

Western NC Region (Asheville)  
(800) 229-7428 • (828) 253-5251

Charlotte NC Region (Charlotte)  
(800) 394-7428 • (704) 409-5900

Central NC Region (Durham)  
(800) 476-7428 • (919) 956-4400

Sandhills NC Region (Fayetteville)  
(800) 774-7966 • (910) 354-1010

Triad NC Region (Greensboro)  
(800) 269-7426 • (336) 478-2600

Northeast NC Region (Greenville)  
(800) 893-9669 • (252) 752-8866

Southeast NC Region (Wilmington)  
(877) 559-4284 • (910) 442-1020

Washington DC (MD & VA)  
(800) 881-6261 • (202) 349-1860

**[www.self-help.org](http://www.self-help.org)**

