

# Fair Housing Foundations



**Housing Finance  
Agency**

*We Open the Doors to an Affordable Place to Call Home*

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**[www.ohiohome.org](http://www.ohiohome.org)**



- Your certificates will be emailed by Tuesday.
- Copy of today's presentation [Ohiohome.org/RP](mailto:Ohiohome.org/RP)
- You have to be present 90% of the class to receive CE credit.



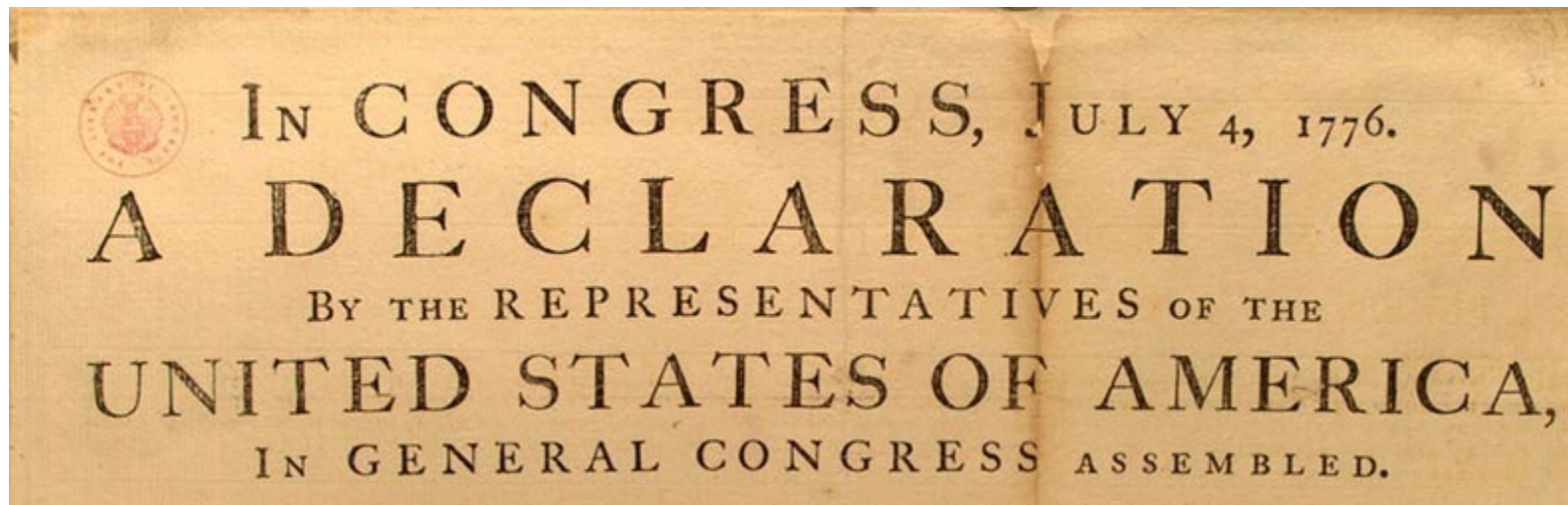
## Webinar Classes

- You have to be watching on a computer/tablet or Microsoft Teams app to receive credit. If you are listening via phone audio, you will not receive credit.
- You have to be using your own individual device (two people can't be sharing a computer).



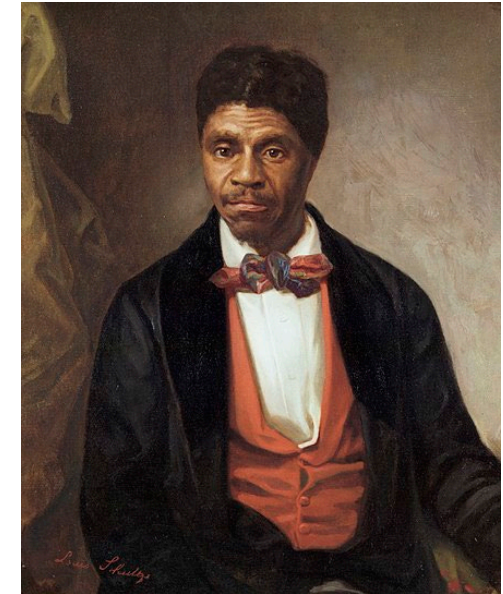
# HISTORY OF FAIR HOUSING AND CIVIL RIGHTS

**“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.”**

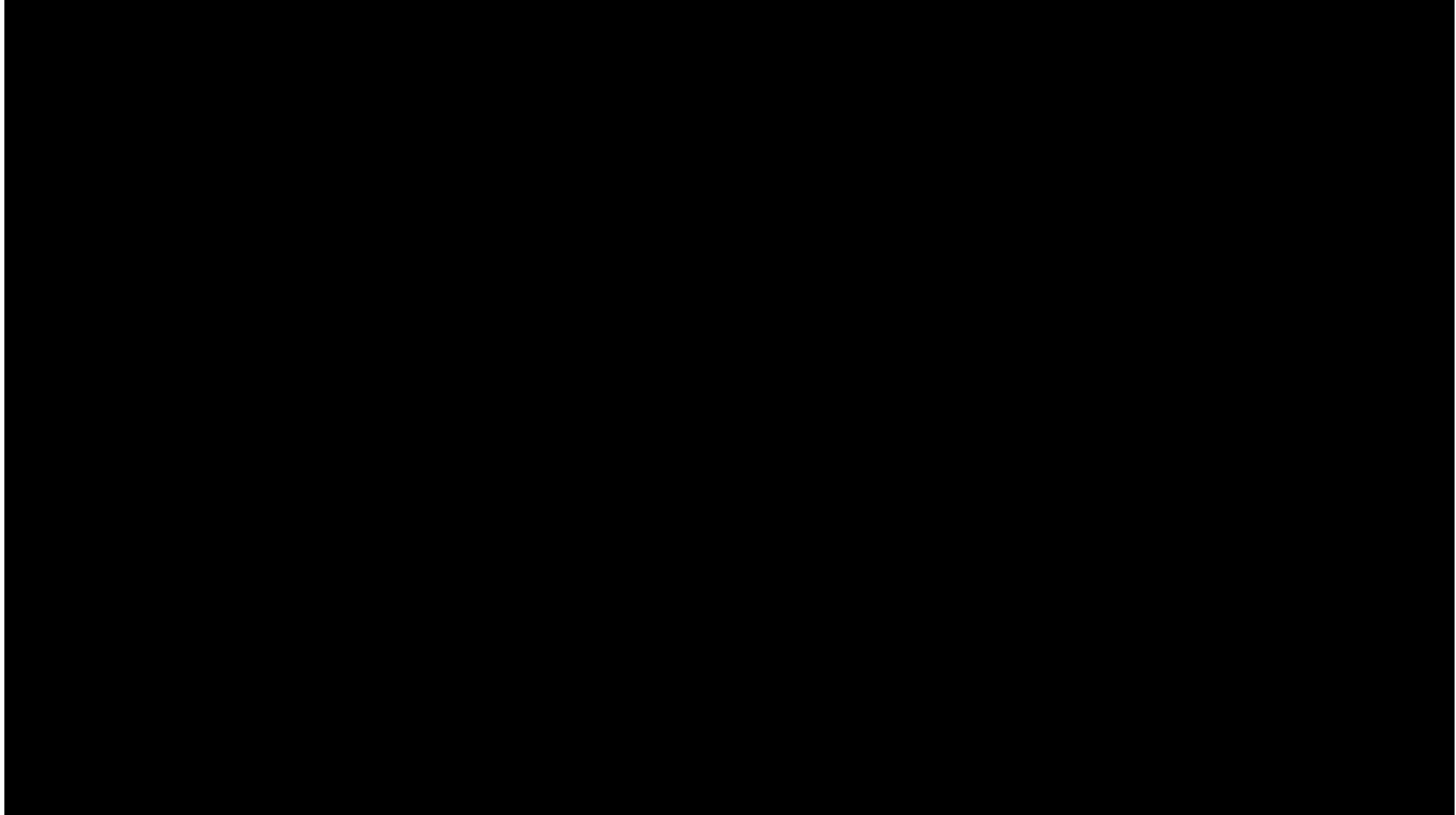


1790- Naturalization Act-Limited naturalization to free white persons.

1857-Dred Scott v. Sanford-Declared that slaves were not citizens of the United States and could not sue in Federal courts.



# 1857-DRED SCOTT V. SANFORD

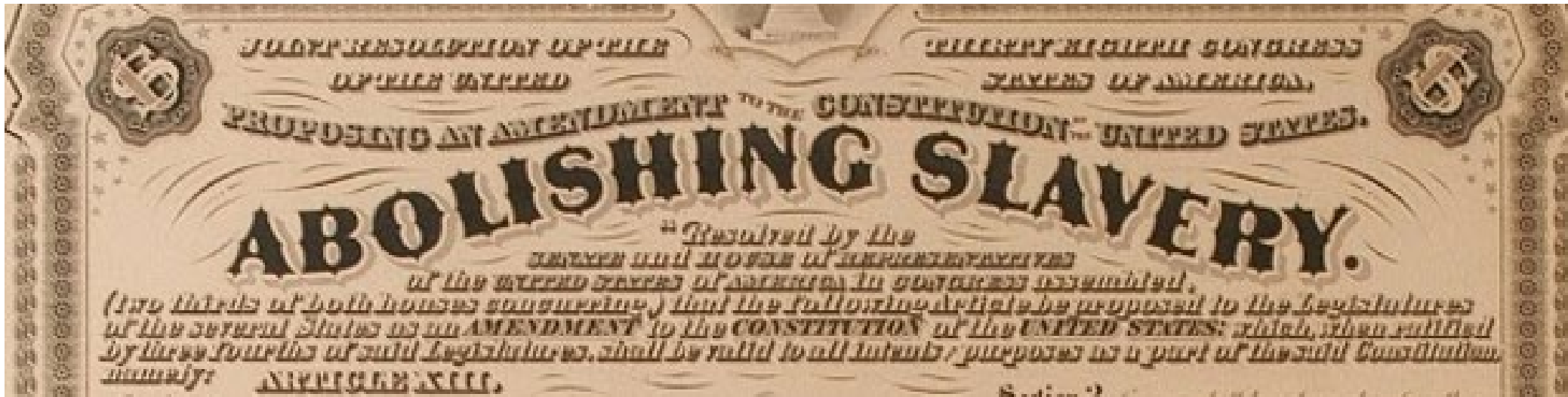


# 1863-EMANCIPATION PROCLAMATION PRESIDENTIAL PROCLAMATION THAT FREED THE SLAVES.



1865-13<sup>th</sup> Amendment –Abolished slavery.

1866-Civil Rights Act-all persons born in the United States were declared to be citizens of the United States.





**1868-14<sup>th</sup> Amendment-** All persons born or naturalized in the United States are granted citizenship. The 14<sup>th</sup> amendment was passed to ensure the Civil Rights Act of 1866 was upheld.

### *The Fourteenth Amendment*

*All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.*

# 1882-CHINESE EXCLUSION ACT



1896 Plessy v. Ferguson- “Separate but equal”-legal basis for segregation in the United States.

**Dissenting view of John Marshal Harlan:**

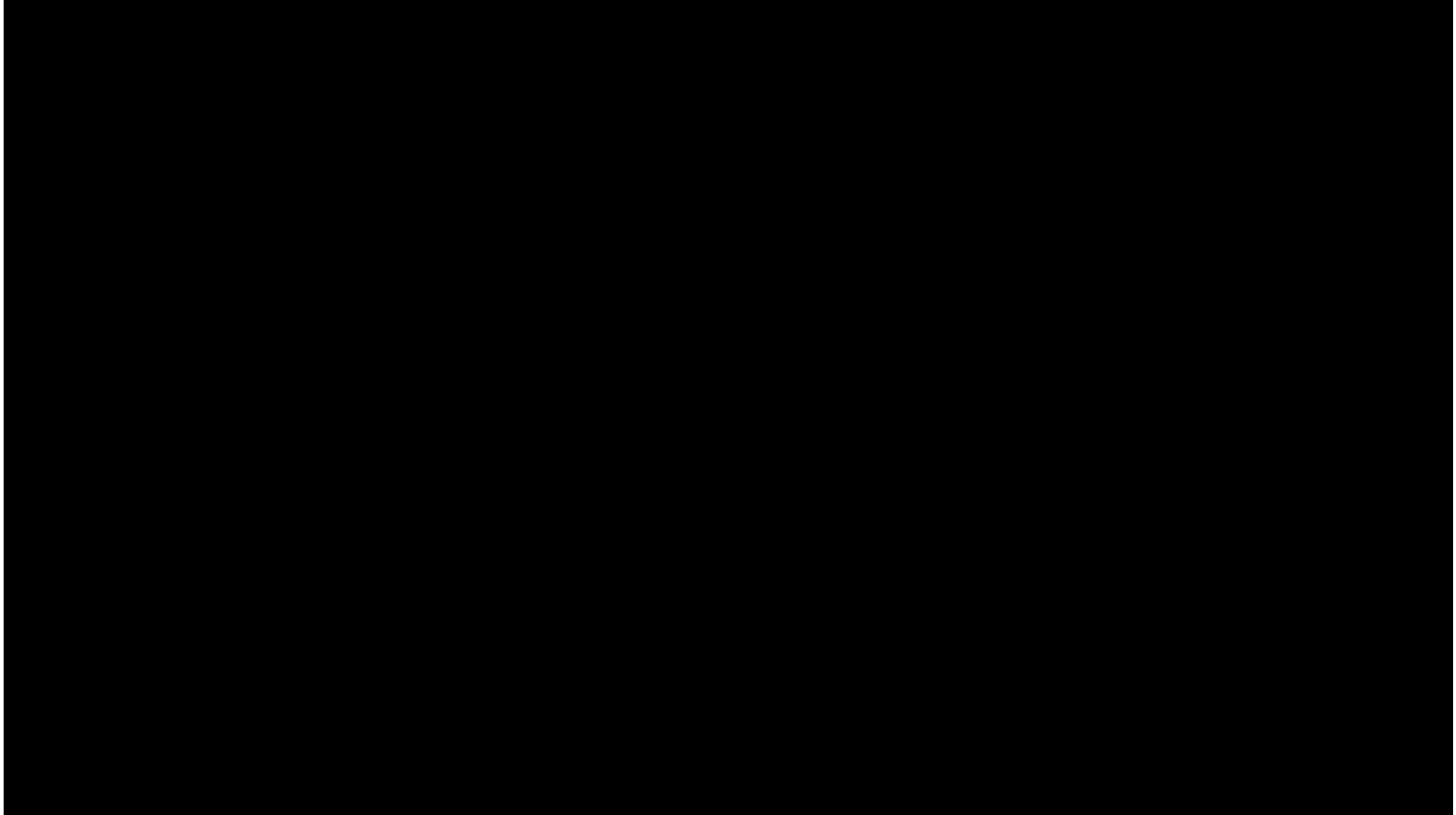




“It is therefore to be regretted that this high tribunal, the final expositor of the fundamental law of the land, has reached the conclusion that it is competent for a state to regulate the enjoyment by citizens of their civil rights solely upon the basis of race.

***In my opinion, the judgment this day rendered will, in time, prove to be quite as pernicious as the decision made by this tribunal in the Dred Scott Case.”***

# 1896 PLESSY V. FERGUSON



1917 Buchanan V. Warley Racial zoning (government zoning) of minorities is a violation of the 14th amendment.

1920-19<sup>th</sup> Amendment- Women's right to vote.

1924-Indian Citizenship Act- Granted citizenship to all Native Americans.



PRESIDENT WILSON SAYS  
the time to support Woman Suffrage

Sixty-sixth Congress of the United States of America;

At the First Session,

Begun and held at the City of Washington on Monday, the nineteenth day of May,  
one thousand nine hundred and nineteen.

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### JOINT RESOLUTION

For passing an amendment to the Constitution extending the right of suffrage  
to women.

---

By the Senate and House of Representatives of the United States  
Congress assembled (two-thirds of each House concurring therein),  
That the following article is proposed as an amendment to the Constitution,  
to all intents and purposes as part of the Constitution when  
ratified by the ratification of three-fourths of the several States.

“ARTICLE ———.

Representatives of the United States to vote shall not be denied or  
abridged by any State on account of sex.

And the power to enforce this article by appropriate

*F. H. Lister*

Speaker of the House of Representatives.

*Wm. R. Marshall*

President of the United States and

President of the Senate.

# 1941 - Tuskegee Airmen





# 1942 JAPANESE INTERNMENT CAMPS



# 1948- Desegregation of the Military

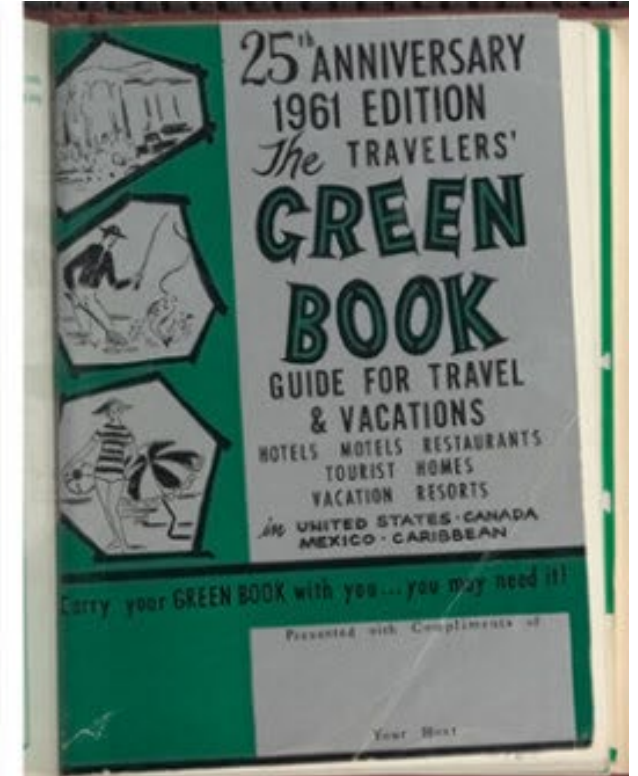
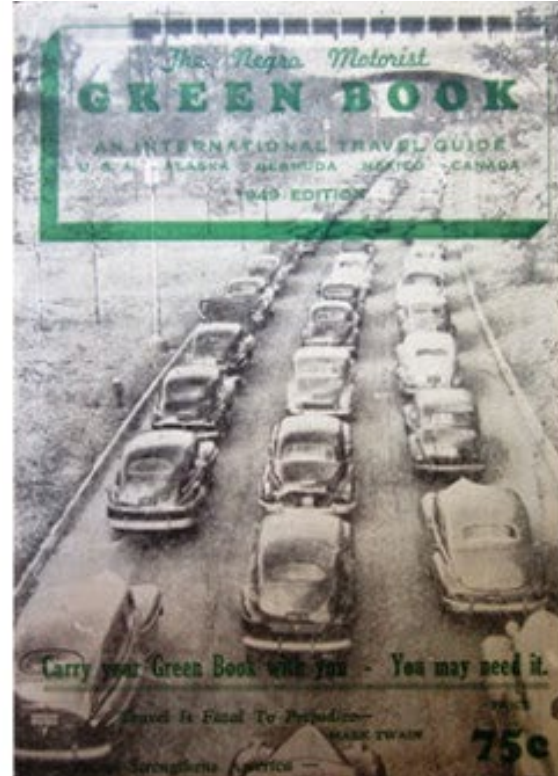
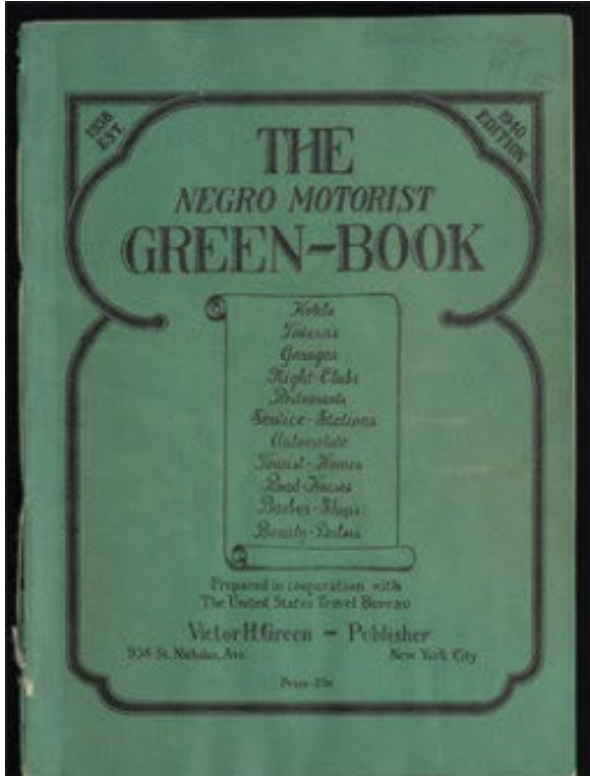
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**EXTRA - By Executive Order**  
**PRESIDENT TRUMAN WIPES OUT**  
**SEGREGATION IN ARMED FORCES**



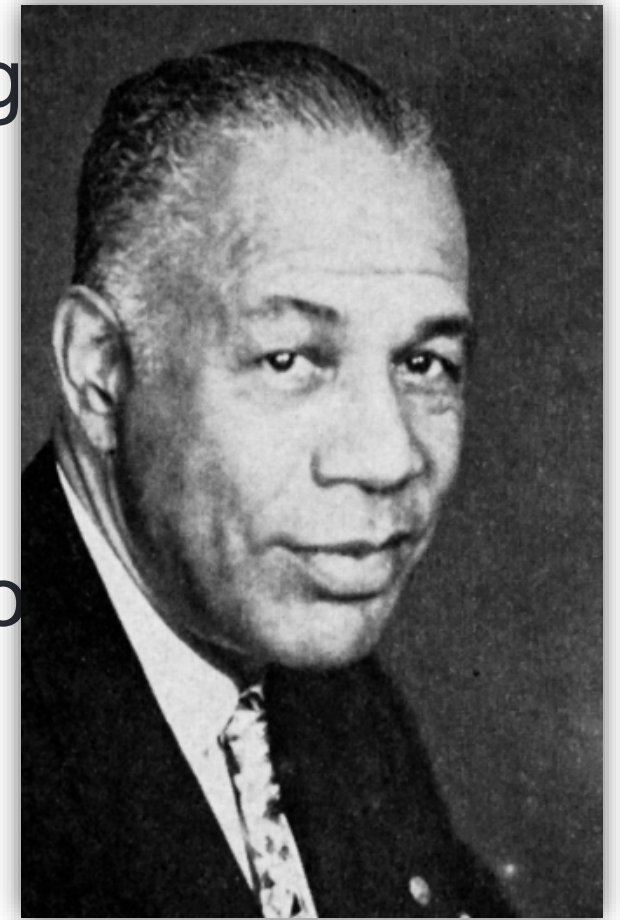
# Green's Travelers Book





## Green's Travelers Book

- Created by New York City mailman Victor Hugo Green from 1936 to 1966 during the era of Jim Crow laws.
- Intent of the book was to create safe places for people to stop such as gas stations, restaurants, and hotels.

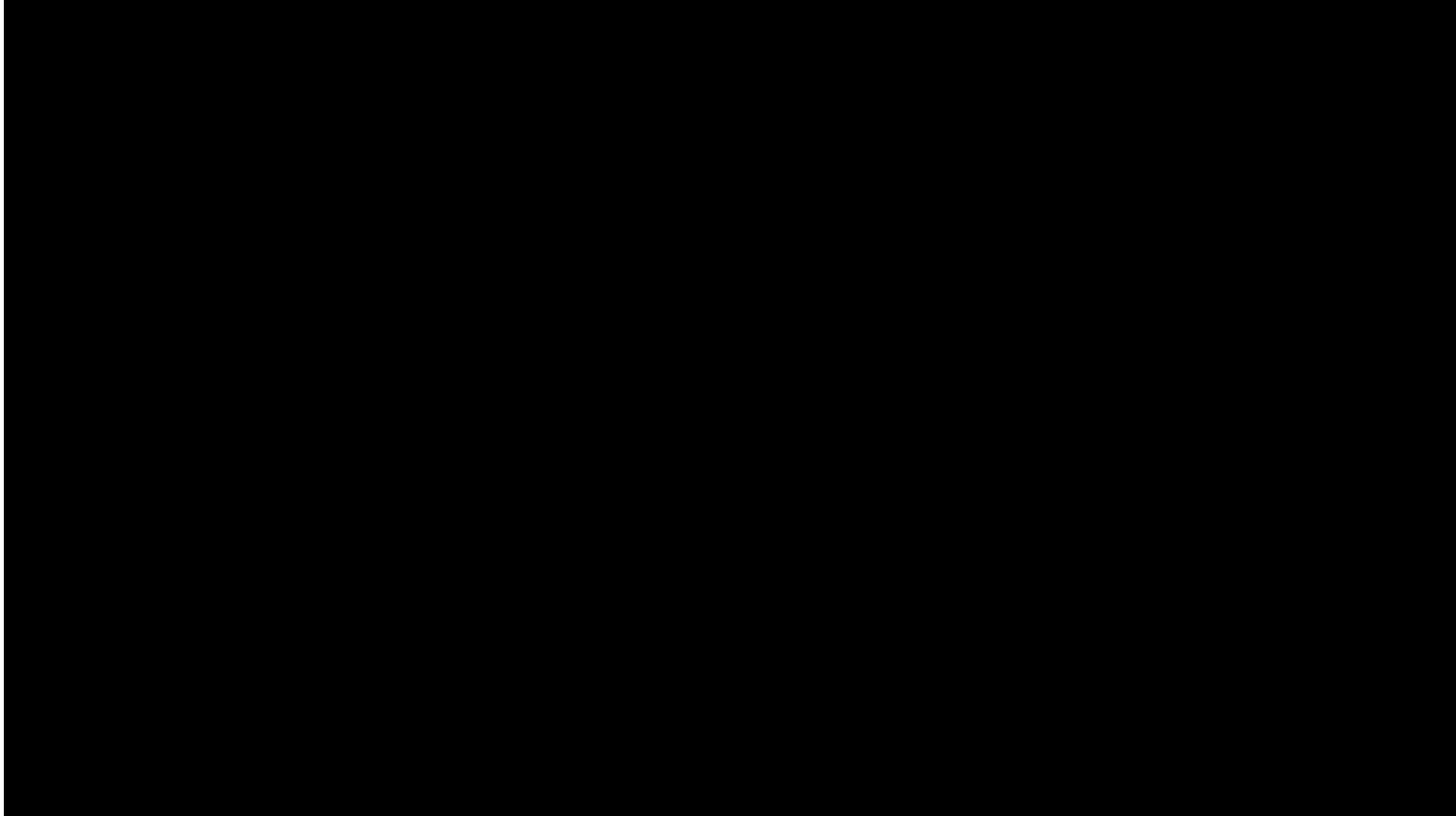




1948  
Shelley v. Kraemer



# 1954-BROWN V. BOARD OF EDUCATION





## GRAND JURY IGNORES CONFESSION;



When aging Rev. Moses (Preacher) Wright and Willie Reed, 18, left the Greenwood, (Miss.) Courthouse after testifying before the Till kidnaping jury, a group of white hoodlums followed them in a car yelling: "You're not in Chicago now." A day later, the two



- Emmett Till was murdered in 1955 in Mississippi.
- In 1956, the murderers sold their story to "Look Magazine" for \$4,000 detailing how they murdered him.

# 1955-ROSA PARKS



# 1957-LITTLE ROCK 9



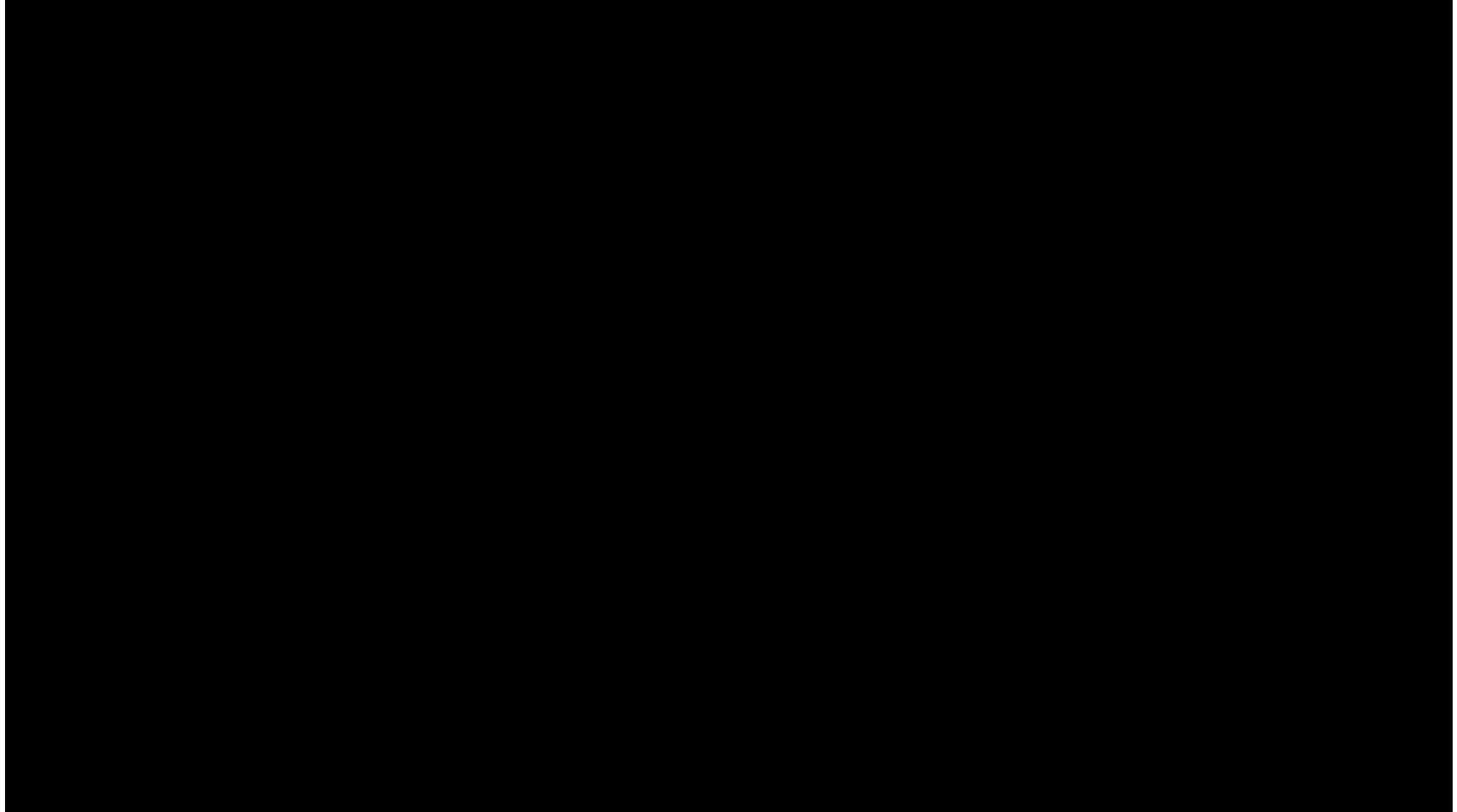




1960-SIT-INS



# 1960-SIT-INS



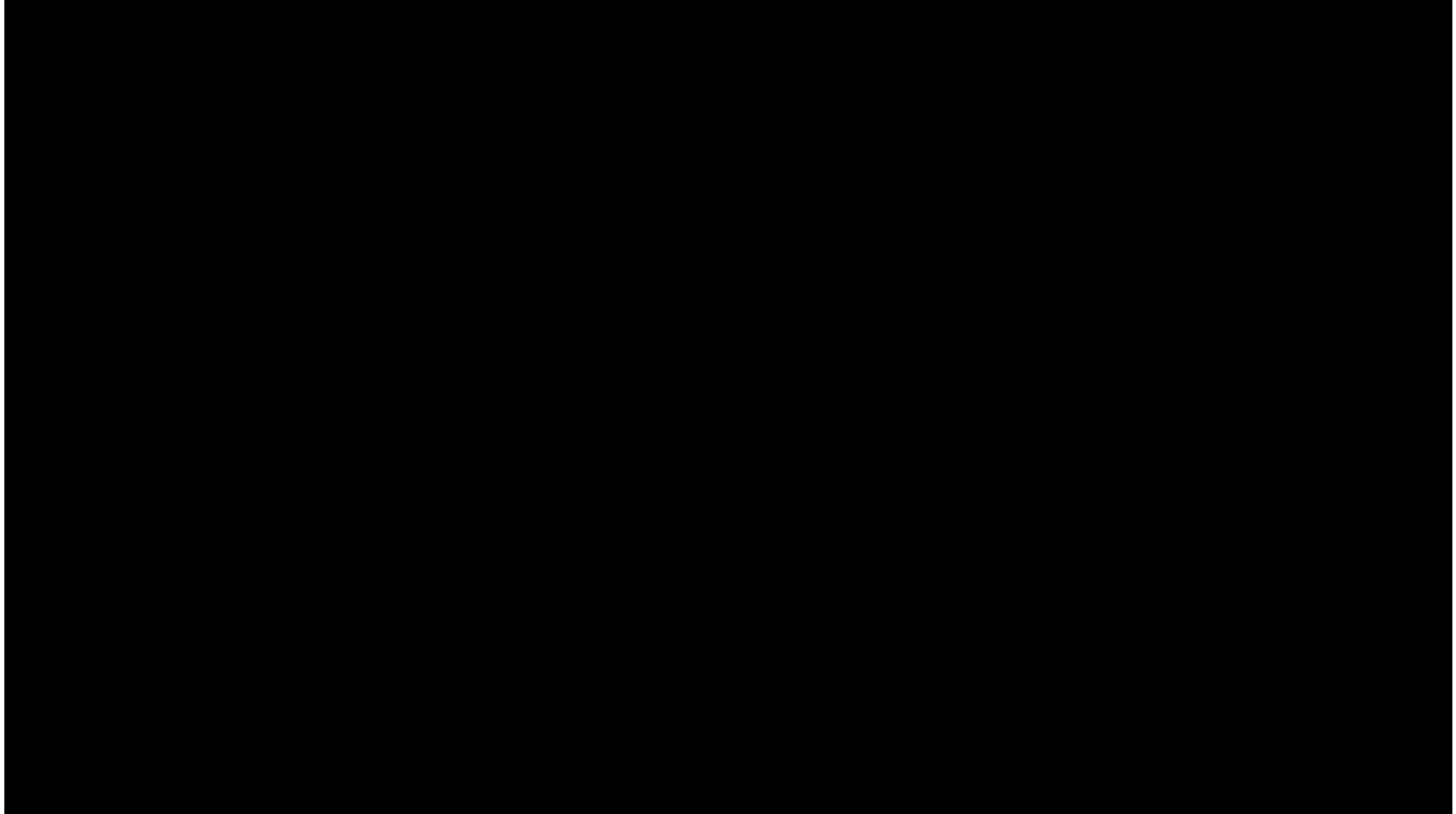
# 1961-FREEDOM RIDES



# 1963-16<sup>TH</sup> STREET CHURCH BOMBING



# 1963-16<sup>TH</sup> STREET CHURCH BOMBING







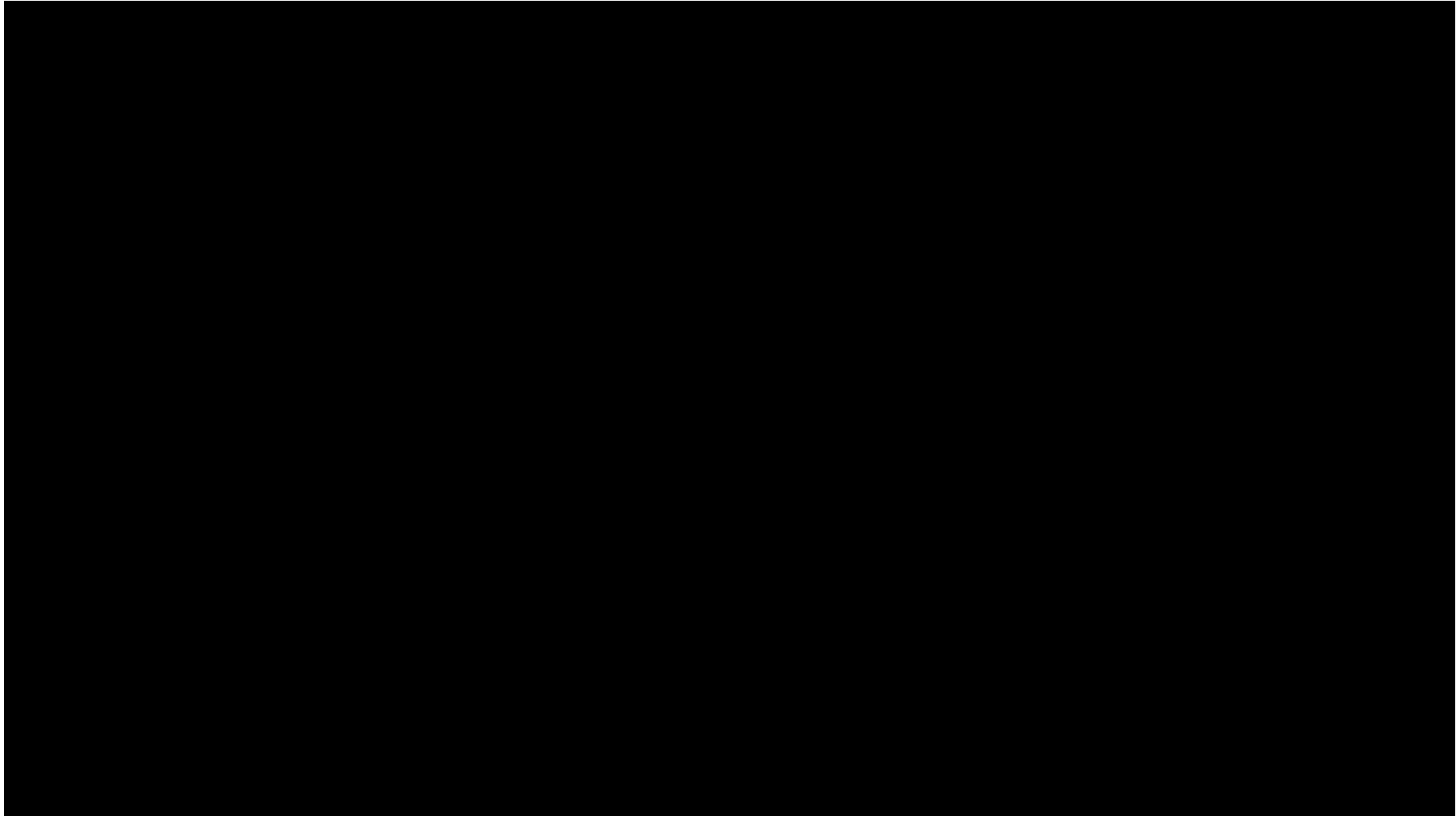


President Lyndon Johnson and Dr. Martin Luther King Jr.  
at the signing of the 1964 Civil Rights Act.



## 1965-VOTERS RIGHTS-SELMA, ALABAMA

# JOHN LEWIS







1965 Voting Rights Act applied a nationwide prohibition against the denial or abridgment of the right to vote based on race.

1968-Civil Rights(Fair Housing Act) Banned discrimination based on race, color, religion, and national origin in most public and private transactions.

1974-Amendment- added Gender.



## Equal Credit Opportunity Act 1974

Prohibits credit discrimination based on race, color, religion, national origin, sex, marital status, and age.

1982 Havensv. Coleman gave fair housing testers the right under the Federal Fair Housing Law to sue individuals practicing housing discrimination.





1988 Amendment Added familial status and disability.



# 1990-AMERICANS WITH DISABILITIES ACT



## **FAIR HOUSING ACT :**

Prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions.

**Race**

**Color**

**National Origin**

**Religion**

**Sex**

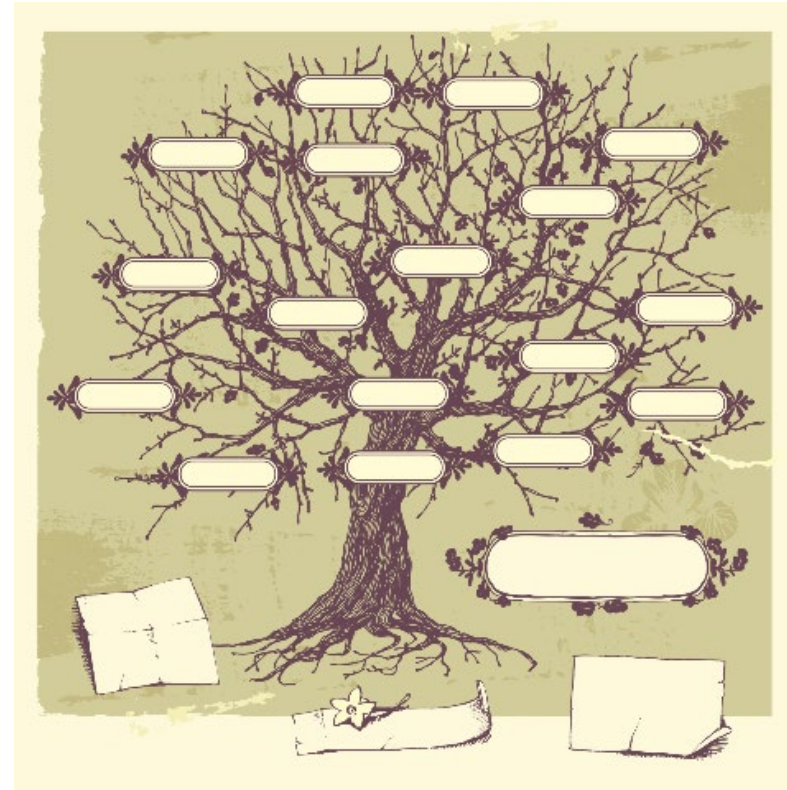
**Familial Status**

**Disability**

# TWO ADDITIONAL PROTECTED CLASSES IN OHIO



MILITARY STATUS



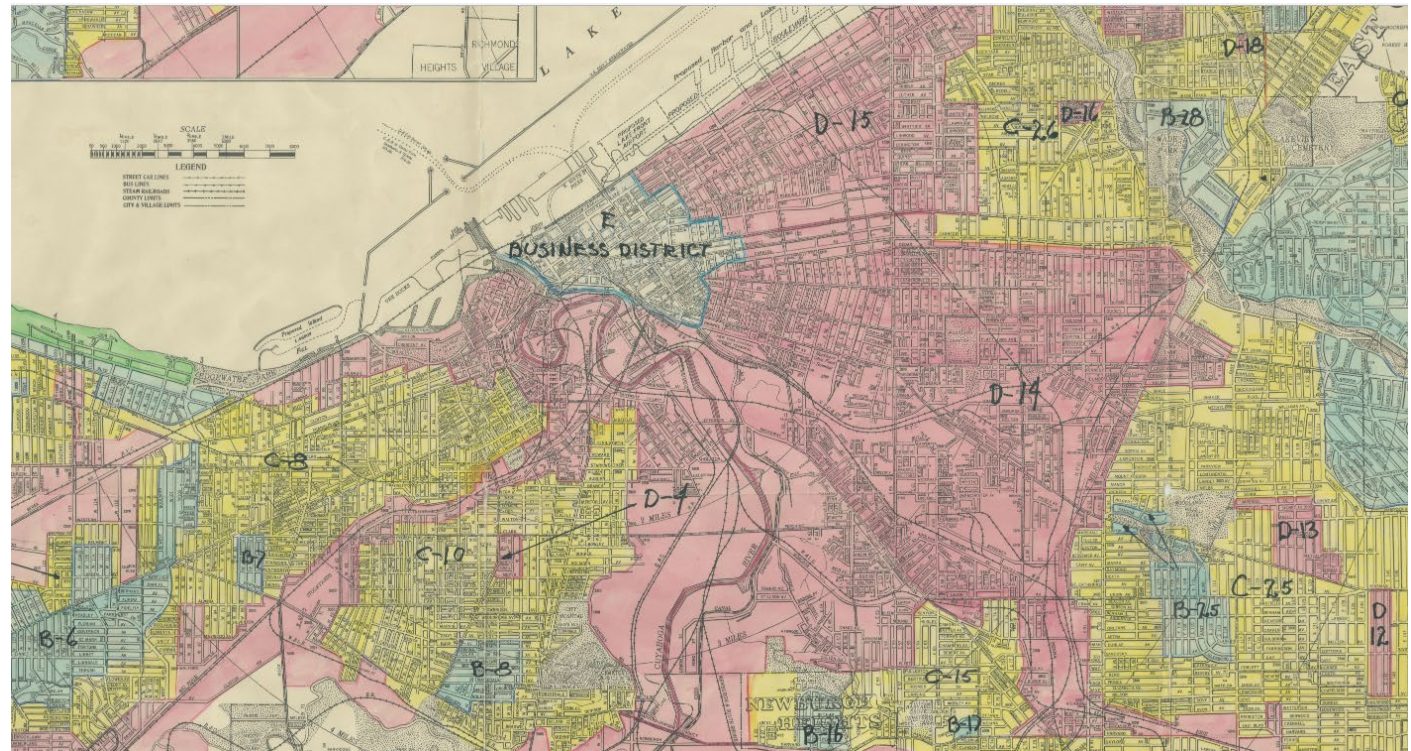
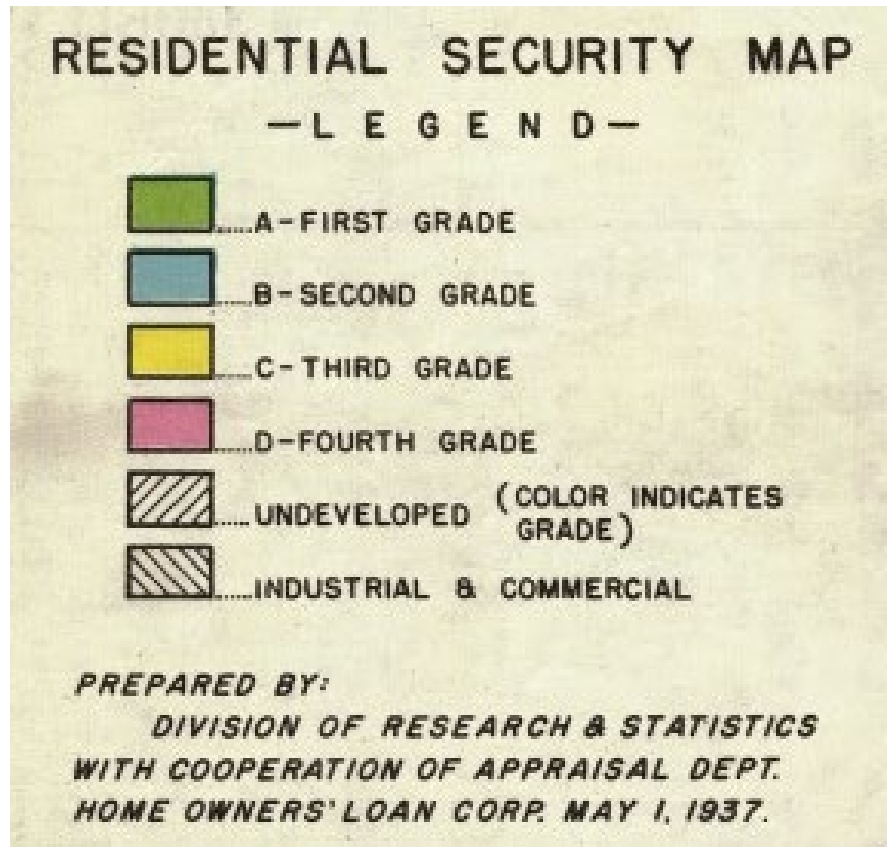
ANCESTRY



### Complaint Data by Basis and Agency in 2023

	Race	Disability	Familial Status	Sex	National Origin	Color	Religion	Other	Total
<b>NFHA Members</b>	3,634	12,803	1,434	1,614	992	501	145	4,666	<b>25,789</b>
<b>HUD</b>	374	1,123	155	195	130	40	37	134	<b>1,742</b>
<b>FHAPs</b>	1,805	4,033	548	768	571	283	155	981	<b>6,577</b>
<b>DOJ</b>	7	9	2	11	0	0	0	13	<b>42</b>
<b>Total</b>	<b>5,820</b>	<b>17,968</b>	<b>2,139</b>	<b>2,588</b>	<b>1,693</b>	<b>824</b>	<b>337</b>	<b>5,794</b>	<b>34,150</b>
<b>Percent of Total</b>	17.04%	52.61%	6.26%	7.58%	4.96%	2.41%	0.99%	16.97%	

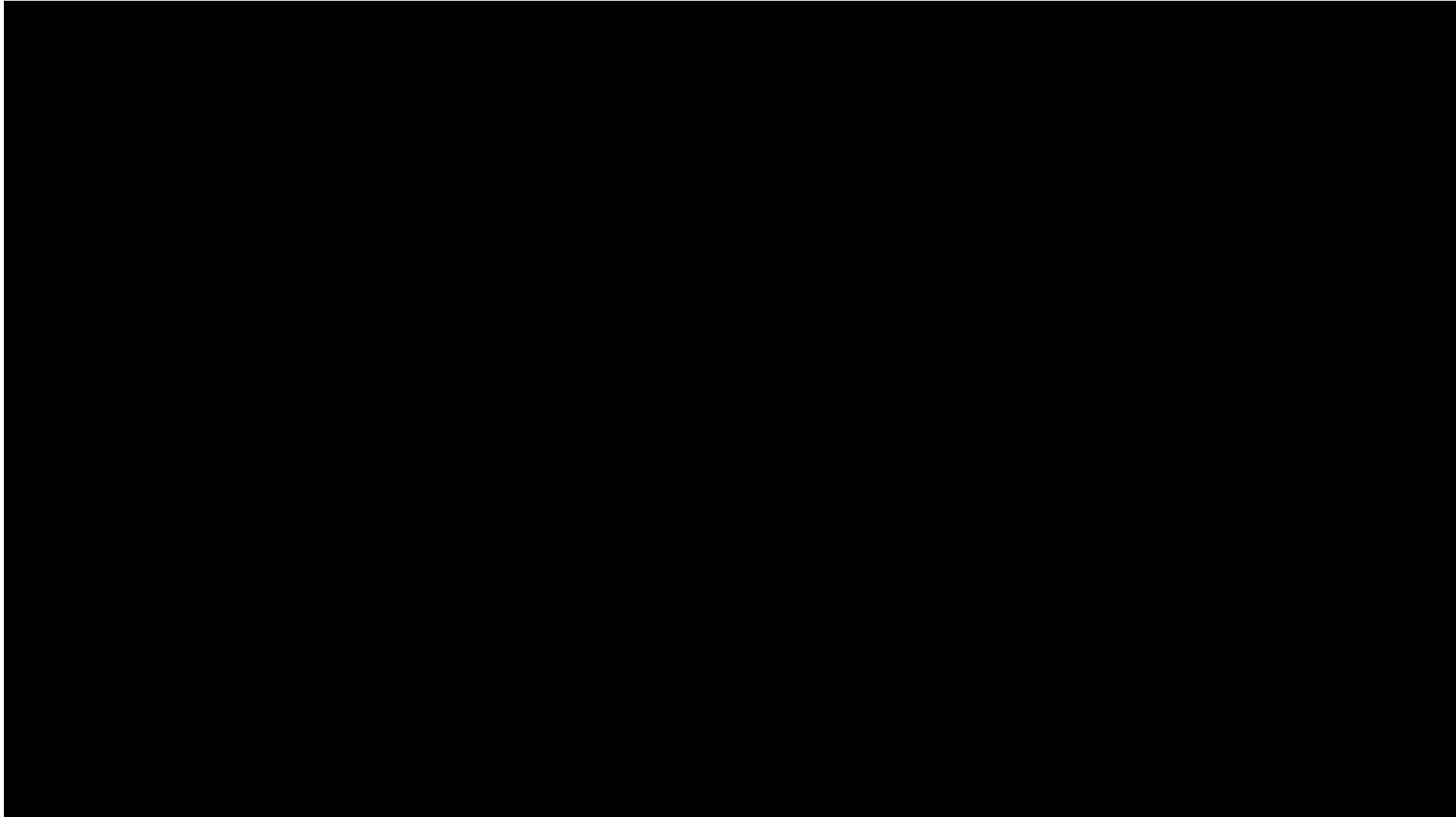
# 1937 REDLINING MAP



## REDLINING 1934-1968

- The Federal Housing Administration refused to insure loans to black communities or to white communities that were close in proximity to black communities.
- Did not become illegal until the Fair Housing Act of 1968. Prevented most African Americans from purchasing homes.

# REDLINING-TRIDENT MORTGAGE-2022

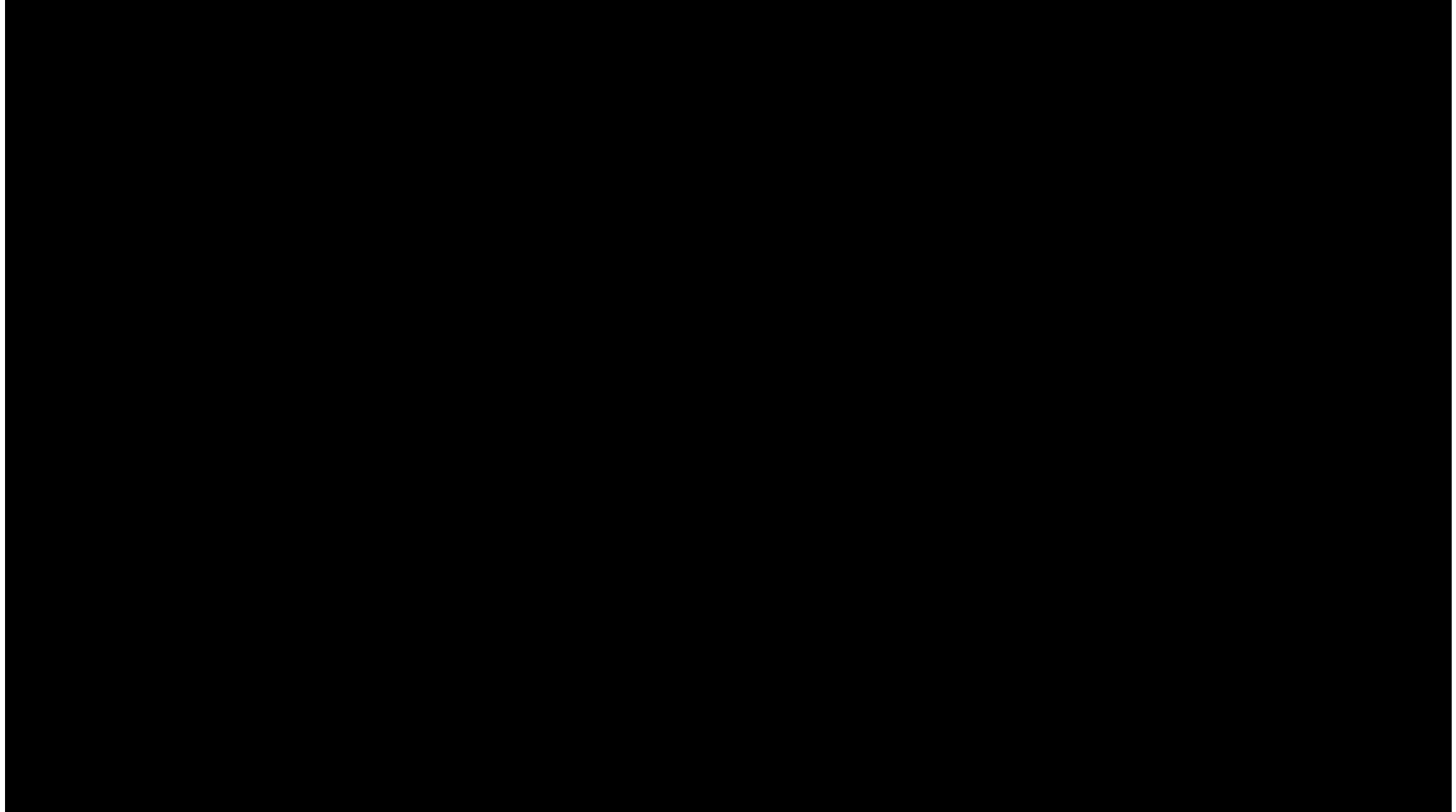




# REDLINING-CITY NATIONAL BANK-2023



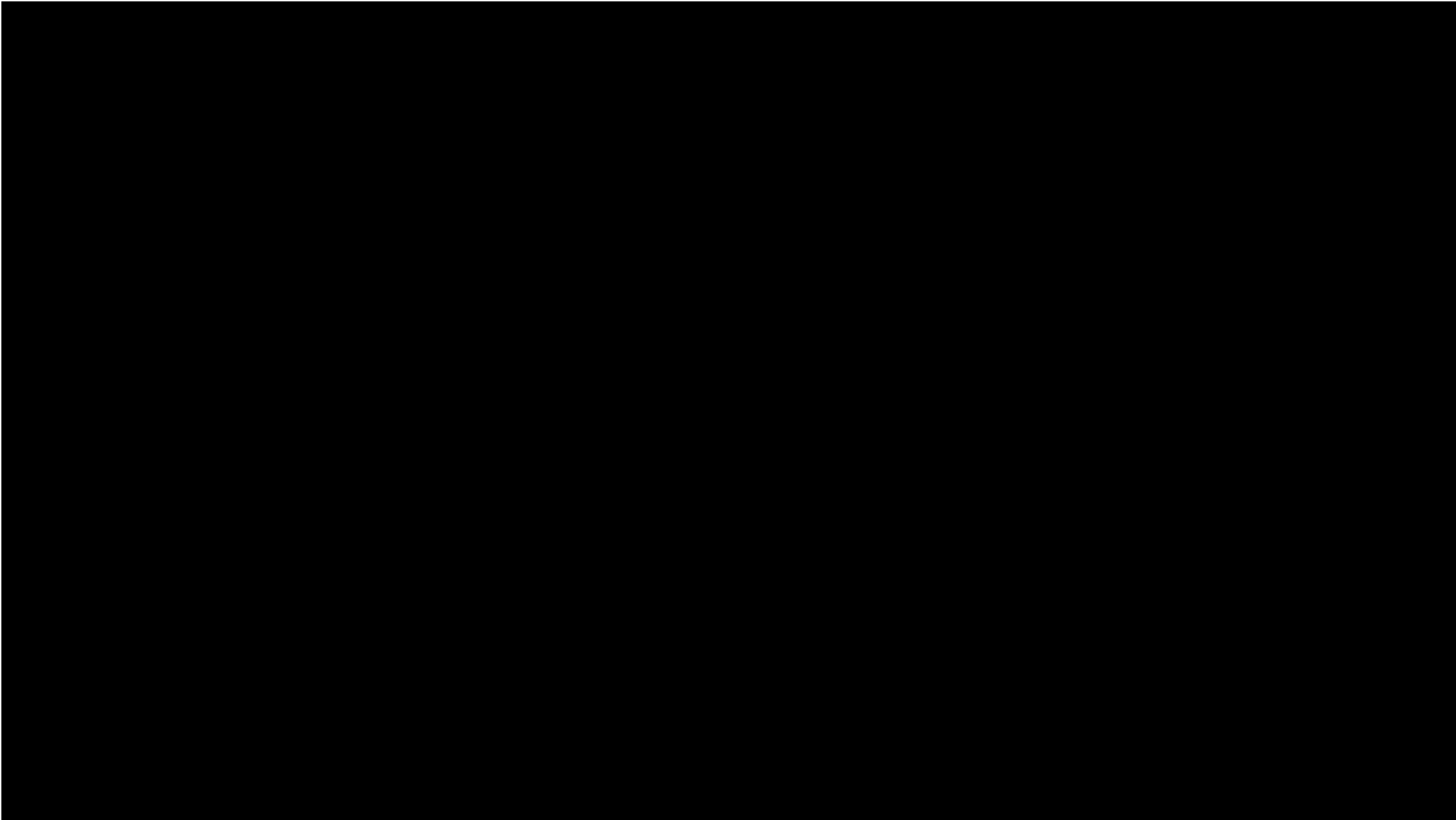
# REDLINING-FIRST NATIONAL BANK-2024





# CASE STUDIES







## 2022-FAIR HOUSING TESTING SETTLEMENT

- Keller Williams Greater Nassau (KW)GN
  - Keller Williams Realty Elite (KWRE), and
  - LaffeyReal Estate (LRE)
- 
- Required to pay **\$115,000** settlement and conduct fair housing trainings for their offices.

## **UNITED STATES V. RUPP, ET AL. (E.D. MO.), 2021**

- Defendants used a lease and application that stated that “no children” were allowed; rented an apartment to the complainants, with one minor child at the time, “on a trial basis” in light of their “no children” lease condition.
- Terminated the complainants’ lease after the landlord learned they had a second child.

**\$74,400 VERDICT**

## DIVING INTO THE DETAILS...

In the Sale and Rental of Housing: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status, handicap, ancestry, or military status.

## EXAMPLES

- Refuse to rent or sell housing.
- Refuse to negotiate for housing.
- Make housing unavailable.
- Deny a dwelling.
- Set different terms, conditions or privileges for sale or rental of a dwelling.



## EXAMPLES

- Provide different housing services or facilities.
- Falsely deny that housing is available for inspection, sale, or rental.
- For profit, persuade owners to sell or rent (blockbusting).
- Deny anyone access to or membership in a facility or service (such as an MLS) related to the sale or rental of housing.

# PAVE

## INITIATIVE TO ADVANCE PROPERTY APPRAISAL AND VALUATION EQUITY



### CATEGORY 1

Strengthening Guardrails  
Against Discrimination in  
All Stages of Residential  
Valuation



### CATEGORY 2

Enhancing Fair Housing/  
Fair Lending Enforcement  
and Driving Accountability  
in the Appraisal Industry



### CATEGORY 3

Building a Diverse,  
Well-Trained, and  
Accessible Appraiser  
Workforce



### CATEGORY 4

Empowering  
Consumers to  
Take Action  
Against Bias

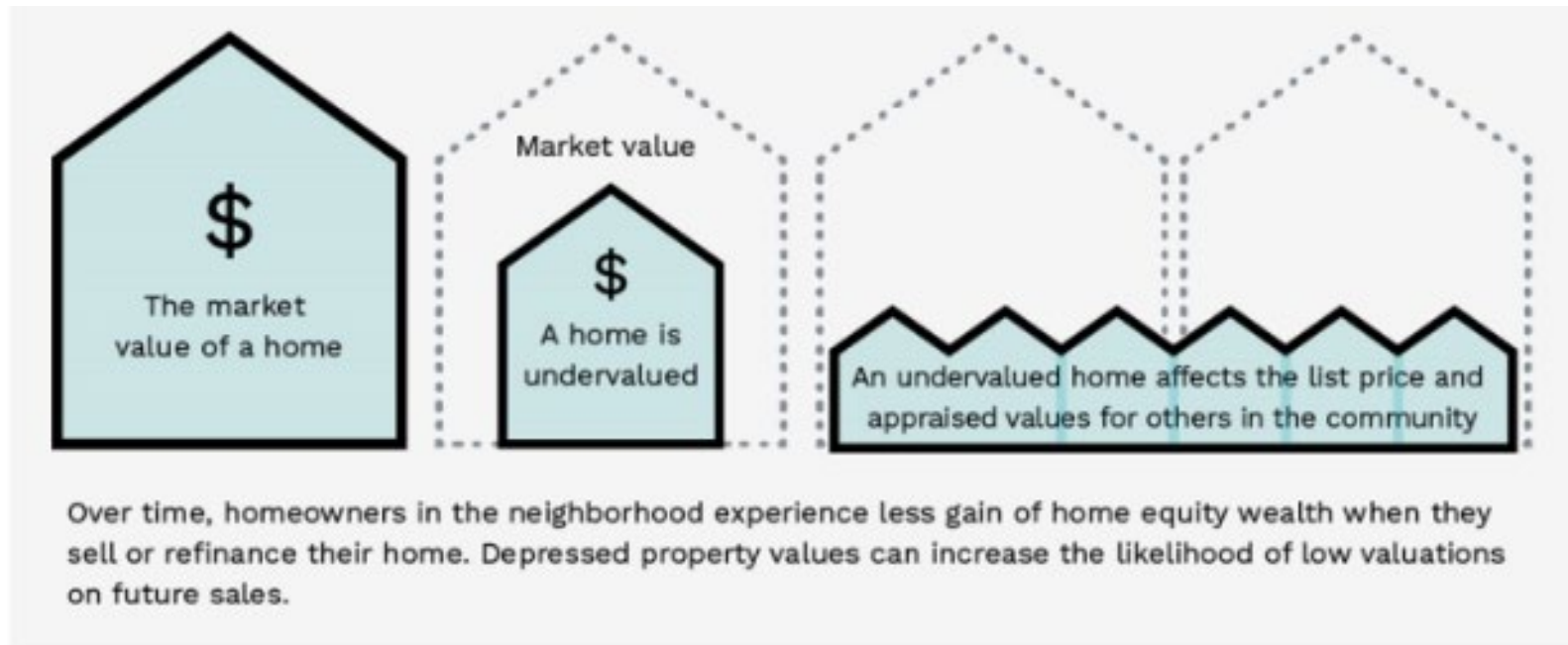


### CATEGORY 5

Giving Researchers and  
Enforcement Agencies  
Better Data to Study and  
Monitor Valuation Bias

## PAVE

The Brookings Institution estimates that homes in majority black neighborhoods are undervalued by \$48,000, amounting to \$156 billion in cumulative losses.



## BAILEY V. SANTANDER BANK (2023)

In December 2023, a mixed-race Connecticut couple settled an appraisal discrimination lawsuit with Santander Bank under undisclosed terms. The plaintiffs had alleged violations of the Fair Housing Act after receiving a low valuation on their home.

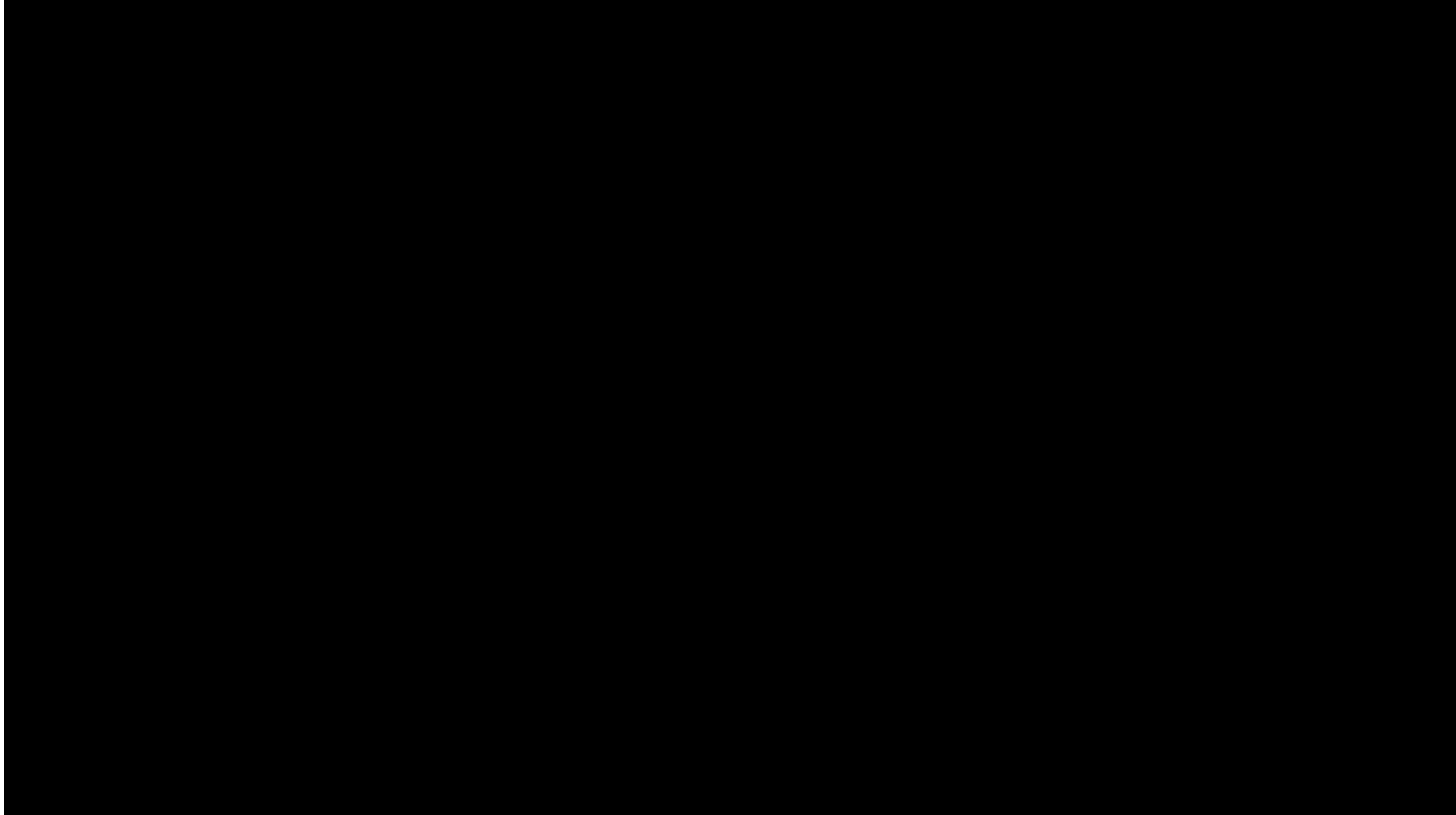
In February 2021, the bank's appraiser appraised the 7,000 square foot, seven-bedroom home at \$780,000, and the bank denied the plaintiff's refinancing application because of the low valuation.



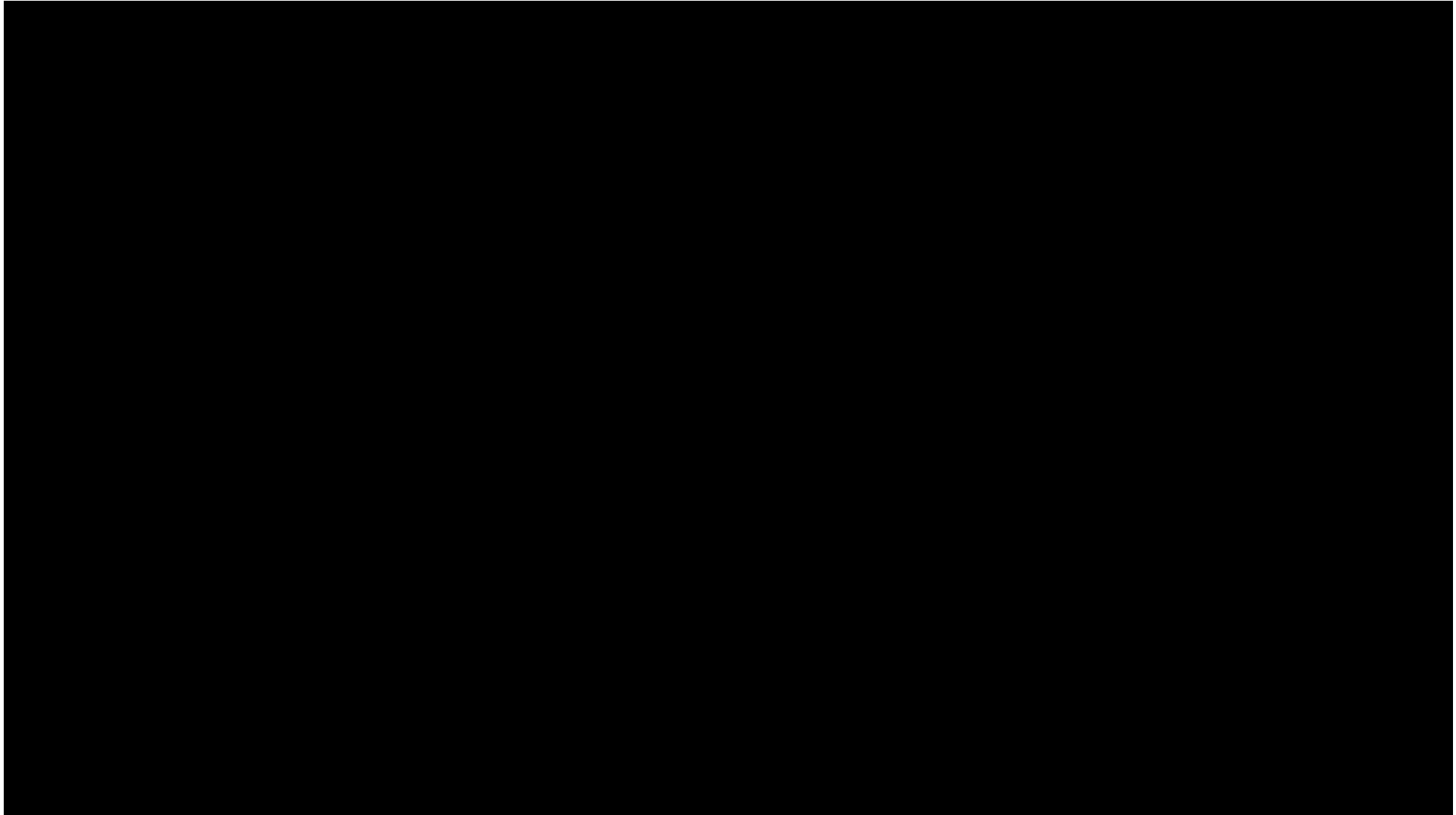
## BAILEY V. SANTANDER BANK (2023)

After the plaintiffs removed family photos and artwork, the husband, who is White, greeted the second appraiser. The second appraisal came in at \$1.2 million, which was \$20,000 more and nearly 54 percent higher than the first appraisal.

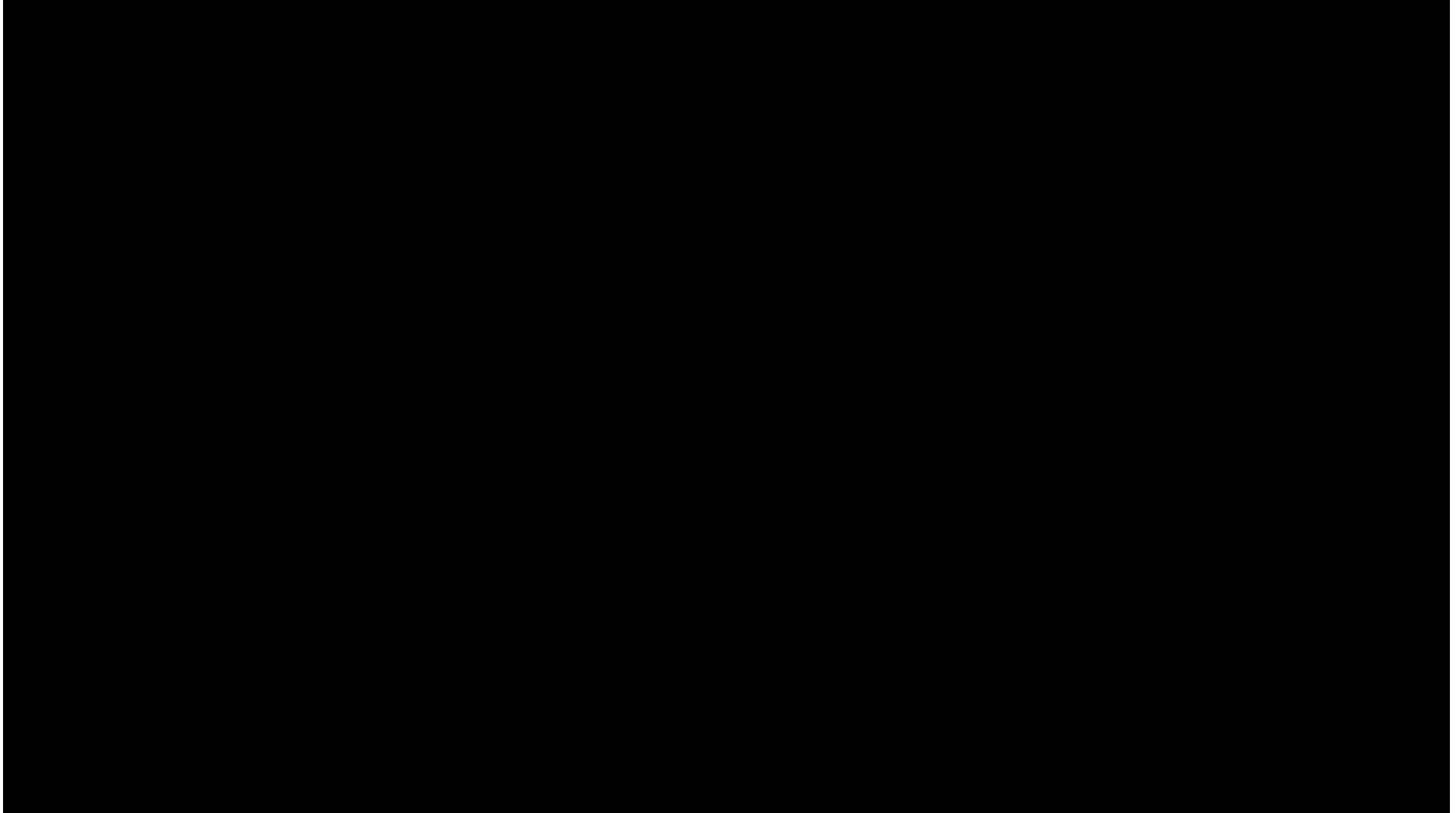
# LOW APPRAISAL VALUATION



# LOW APPRAISAL VALUATION



# LOW APPRAISAL VALUATION





# Reasonable Modifications

Housing provider  
must allow  
modifications to  
the property.

***At the expense of  
the person with a  
disability.***



# Reasonable Accommodations

Accommodation in rules, policies, practices or services if necessary for the disabled person to use the housing.

***At the expense of the housing provider.***





**Allowing a service animal in a rental unit where there is a “no pets” policy.**

**Providing an assigned parking spot for somebody who is physically disabled in an apartment complex where there are no assigned parking spots.**



## WHAT IS A SERVICE/SUPPORT/COMPANION ANIMAL?

- Under the Fair Housing Act, a service/support/companion animal can be for a physical or mental disability and the animal **does not** have to have special training or perform a specific task.
- Under Fair Housing, there is no difference between a physical or mental/emotional disability.

## READILY APPARENT DISABILITY

- If a person's disability is obvious, or otherwise known to the provider, and if the need for the requested accommodation is also readily apparent or known,
- Then the provider **may not** request any additional information about the requester's disability or the disability-related need for the accommodation.

## READILY APPARENT DISABILITY

- Guiding an individual who is blind or has low vision.
- Pulling a wheelchair.
- Providing assistance with stability or balance to an individual with an observable mobility disability.



## NON-OBSERVABLE DISABILITY

- A provider is entitled to obtain information that is necessary to evaluate if a requested reasonable accommodation may be necessary because of a disability.
- The person with a disability could provide the following as proof of a disability related need or a service animal:



# DOCUMENT REQUESTS

- Information confirming disability from a health care professional e.g., physician, optometrist, psychiatrist, psychologist, physician's assistant, nurse practitioner, or nurse.
- A determination of disability from a federal, state, or local government agency.
- Receipt of disability benefits or services (Social Security Disability Income (SSDI)).

# DOCUMENT REQUESTS

- Medicare or Supplemental Security Income (SSI) for a person under age 65, veterans' disability benefits, services from a vocational rehabilitation agency, or disability benefits or services from another federal, state, or local agency.
- Eligibility for housing assistance or a housing voucher received because of disability.
- ***You can't ask about their private medical diagnosis or medical information.***

## DOCUMENTS FROM THE INTERNET

- Some websites sell certificates, registrations, and licensing documents for assistance animals to anyone who answers certain questions or participates in a short interview and pays a fee.
- **In HUD's experience, such documentation from the internet is not, by itself, sufficient to reliably establish that an individual has a non-observable disability or disability - related need for an assistance animal.**

## WHAT ANIMALS ARE ALLOWED?

If the animal is a dog, cat, small bird, rabbit, hamster, gerbil, other rodent, fish, turtle, or other small, domesticated animal that is traditionally kept in the home for pleasure rather than for commercial purposes, then the reasonable accommodation should be granted because the requestor has provided information confirming that there is a disability related need for the animal.



## WHAT ANIMALS ARE ALLOWED?

### Unique Animals:

- If the individual is requesting to keep a unique type of animal that is not commonly kept in households as described above, then the requestor has the substantial burden of demonstrating a disability -related therapeutic need for the specific animal or the specific type of animal.
- Please note this is not an exhaustive list and other animals not listed in the previous slides, might be allowable.



## ADDITIONAL ITEMS

- A housing provider may not charge a deposit, fee, or surcharge for an assistance animal.
- A housing provider, however, may charge a tenant for damage an assistance animal causes if it is the provider's usual practice to charge for damage caused by tenants (or deduct it from the standard security deposits imposed on all tenants).

## ADDITIONAL ITEMS

- Pet rules do not apply to service animals and support animals.
- Housing providers may not limit the breed or size of a dog used as a service animal or support animal just because of the size or breed *but can, as noted, limit based on specific issues with the animal's conduct because it poses a direct threat or a fundamental alteration*



**Reasonable Modification**



**Reasonable Accommodation**

## SENIOR EXEMPTION

1. The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program or
2. It is occupied solely by persons who are 62 or older or
3. It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older.



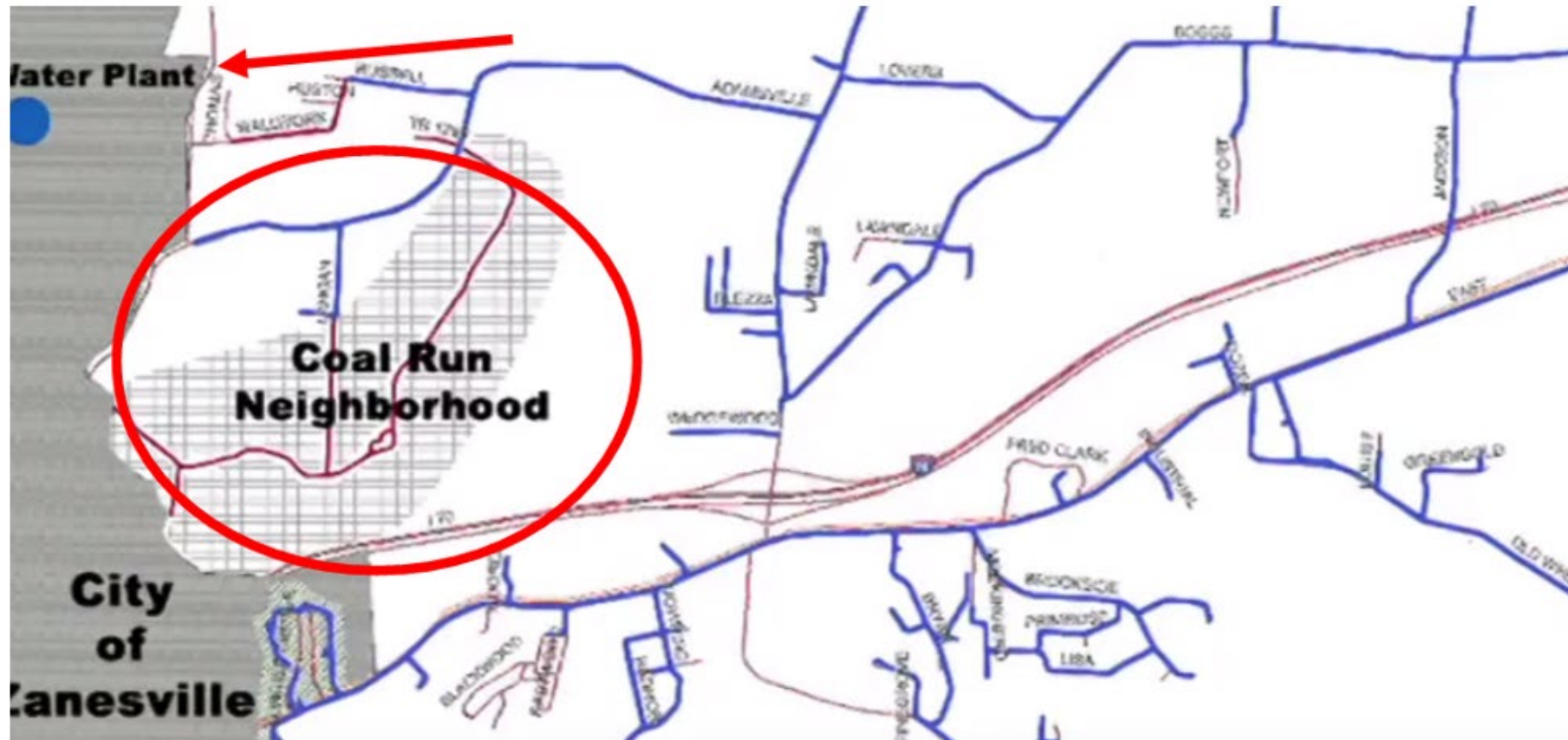


# CASE STUDIES





# KENNEDY V. ZANESVILLE (2008) (OHIO) \$10.8 MILLION



## UNITED STATES V. META (2022)

The complaint, which was filed on June 21, 2022, alleged that Meta's housing advertising system discriminated against Facebook users based on the federally protected classes.

Specifically, the complaint alleged, among other things, that Meta uses algorithms in determining which Facebook users receive housing ads and that those algorithms rely, in part, on characteristics protected under the FHA.

Use of words, phrases, symbols, and visual aids can't convey overt or implicit discrimination.



# FAIR HOUSING ADVERTISING

- Ohio law requires every broker's office to display the **fair housing poster** provided by the Ohio Real Estate Commission with the required language (Ohio Revised Code section 4735.16).
- Ohio law (O.R.C. 4735.55 and Ohio Administrative Code 1301:5-6-05) states that **fair housing language must be included in all agency agreements** if the property in question is covered by the fair housing laws.
- Should use Equal Housing Opportunity Statement, Slogan, or Logo.



**Focus on the attributes of the home, not on the attributes of potential buyers.**

- Updated roof
- New carpeting
- Large backyard
- Large living room





# EXEMPTIONS FROM FAIR HOUSING LAWS

1. Housing operated by organizations and private clubs that limit occupancy to members.
- Ohio Fair Housing Laws are more stringent than Federal Fair Housing Laws.
  - There are no exemptions for Real Estate Agents.



# FILING A COMPLAINT

**Ohio Civil Rights Commission**

**civ.ohio.gov**

# Lending



No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan.
- Refuse to provide information regarding loans.

- Impose different terms or conditions on a loan, such as different interest rates, points, or fees. *(One of the most common ways people are discriminated against in mortgage lending.)*
- Discriminate in appraising property.



- Refuse to purchase loan.  
(secondary mortgage market)
- Set different terms or conditions for purchasing a loan.



# OHFA Homeownership Programs



**Housing Finance  
Agency**

*We Open the Doors to an Affordable Place to Call Home*



# Social Media Toolkit

- Visit [ohiohome.org](http://ohiohome.org) and click on "Our Partners" and then "Real Estate Agents."

– Download the Down Payment Assistance social media image.

(After clicking the link above, right click on the image in order to save the image)



[Target Area Search](#)

[Homeownership Products](#)

[Power of Home](#)

[Advertising Guidelines](#)

[Customizable Marketing Flyers](#)

[Social Media Tool Kit](#)









\$1.3 billion  
in gross mortgage reservations.

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4,488 loans  
totaling \$813 million.

In Fiscal Year 2024, OHFA financed  
3,662 loans with this assistance.

502

*used 2.5% down  
payment assistance*



3,160

*used 5% down  
payment assistance*

**31**

Median Age

**\$70,317**

Median Annual  
Household Income

**\$189,165**

Average Sale Price

**714**

Average  
FICO® Score



# Important Items to Know about OHFA

1. OHFA homeownership programs can be used anywhere in the State of Ohio
2. Not all lenders (Banks or Mortgage Companies) are OHFA participating lenders. Participating lenders can be found at: [www.myohiohome.org](http://www.myohiohome.org)







Homebuyer  
contacts an OHFA  
approved lender  
for an eligibility  
review.



Homebuyer  
chooses the loan  
program that best  
fits their needs.



Homebuyer goes  
through normal  
home buying  
process with a real  
estate agent.

## OHFA Participates in All of the Major Loan Types

**Conventional  
3%**

**FHA 3.5%**

**VA 0%**

**USDA 0%**



**First-Time Homebuyer**

**Your Choice! DPA  
Grants for Grads**

**Ohio Heroes  
Mortgage Tax Credit**

*These products fall underneath the First-Time Homebuyer umbrella.*





**Next Home**

**Your Choice! DPA**

**Ohio Heroes**

*Next Home is a loan program for homebuyers who are not first-time buyers  
and are looking to purchase their next home.*

# Main Eligibility Requirements

## Income Limits

[www.myohiohome.org](http://www.myohiohome.org)

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## Minimum Credit Score

FHA: 650

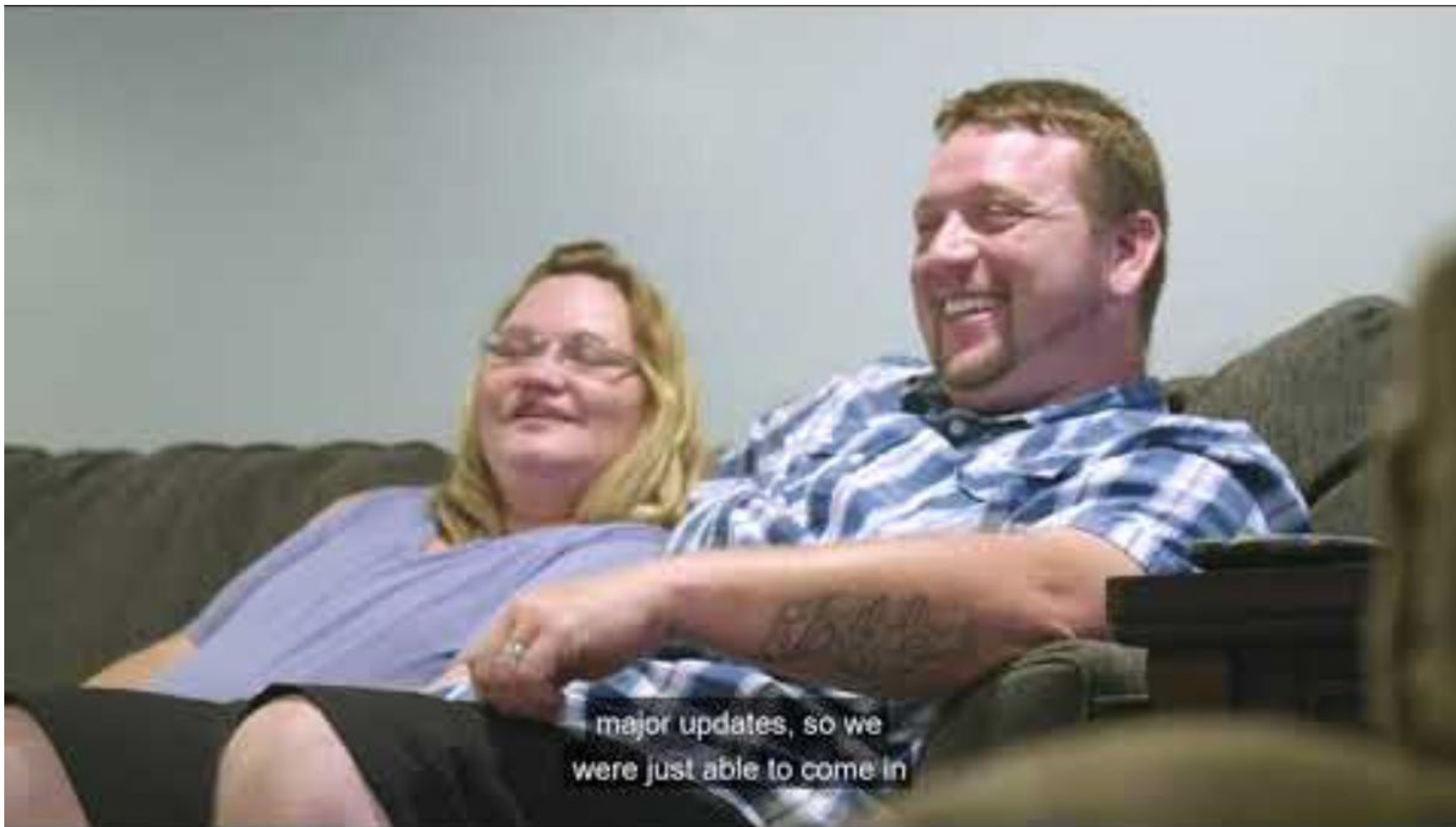
Conventional, USDA, VA: 640



## First-Time Homebuyer

1. Someone who has not had ownership interest in a primary residence in the last three years.
2. Anyone buying in a Target Area - A target area is an economically distressed area.
3. Honorably Discharged Veteran - Regardless if they currently own a home or have owned a home in the past three years.





major updates, so we  
were just able to come in

## 2.5% or 5% *Your Choice* Down Payment Assistance

- You can use the assistance to pay for the down payment, closing costs, or other prepaid expenses.
- Your interest rate will be slightly higher than OHFA's standard mortgage rates.
- You can't sell the house for the first 7 years otherwise you have to pay back the entire down payment assistance.



## Conventional Loan (3% DP Requirement)

Purchase Price	\$200,000
5% Down Payment Assistance	\$10,000

### Subtract the Down Payment and Closing Costs

3% Down Payment	-\$6,000
2% Closing Costs	-\$4,000

---

**Approximate out-of-pocket funds: \$2,000-\$4,000**

- This is based on approximate closing costs of \$6,000. Closing costs vary for each lender.
- Seller can contribute money towards buyers closing costs.

# Closing Disclosure Example Conventional Loan

Total Closing Costs (a+b)	\$	8,559.17			
Total Estimated Funds Needed to Close (Details of Transactions)					
a. Purchase Price	\$	200,000.00	j. Subordinate Financing	\$	10,000.00
b. Alterations	\$		k. CC paid by seller	\$	
c. Land	\$		l. SellerCredit	\$	4,000.00
d. Refinance	\$			\$	
e. Estimated prepaid items	\$	2,127.22		\$	
f. Estimated closing costs	\$	5,981.95		\$	
g. PMI, MIP, Funding Fee	\$		New First Mortgage	\$	
h. Discount (if Borrower will pay)	\$		CC from 2nd	\$	
i. Total Costs (a through h)	\$	208,109.17	CC Paid by Broker, Lender, and Other	\$	
			m. Loan Amount	\$	194,000.00
			n. PMI, MIP Financed	\$	
			o. Loan Amount (m + n)	\$	194,000.00
			Total Credits ( j through n)	\$	208,000.00
			p. Cash to/from borrower	\$	109.17

For informational purposes only





# Closing Disclosure ExampleConventional Loan

Transaction Summary		
Total Estimated Monthly Payment		
First Mortgage	\$	1,307.01
Other Financing	\$	
Hazard Insurance	\$	100
Real Estate Taxes	\$	250.00
Mortgage Insurance	\$	98.62
HOA Dues	\$	
Other	\$	0.00
Total Monthly Payment	\$	1,755.63

## Personal Loan Quote

Property Address: TBD, Sunbury, OH 43074

Borrower Name(s): OHFA Example

Total Loan Amount: \$194,000.00

Program: Conventional

Interest Rate: 7.125%

APR: 7.406%

Fixed/ARM: Fixed

Loan Term: 360

Date: October 22, 2024

For informational purposes only



## Wealth and Homeownership Example Columbus Region

- Homebuyer purchased a \$200,000 home in 2020.
- Approximate median price appreciation between 2020 and 2024 in the Columbus region (Franklin County) was 41.25%.

**Median home price appreciation in this example would be  
\$82,500.**



## Ohio Heroes

Full-time employees in the following professions receive a slightly lower interest rate:

- Veteran, active-duty military or member of reserve components (includes a surviving spouse)
- Police officer, firefighter, volunteer firefighter, EMT, paramedic



## Ohio Heroes

- Physicians, nurse practitioners, nurses (RN, LPN, STNA)
- Pre-K-12 teacher, administrator, counselor





# Ohio Heroes Interest Rate Example

## MORTGAGE INTEREST RATES

- Updated 12/11/24 at 9:30am

### TRADITIONAL FIRST-TIME HOMEBUYER PROGRAM

#### Government Loans (FHA, VA, USDA-RD) 30-Year Fixed Rate Loans

	First-Time Homebuyer Program	Ohio Heroes	Grants for Grads
With No OHFA Assistance	6.000%	5.750%	
With 2.5% OHFA Assistance	6.500%	6.250%	6.375%
With 5% OHFA Assistance	7.000%	6.750%	6.875%

**5.750%**

#### Conventional 30-Year Fixed Rate Loans

	First-Time Homebuyer Program	Ohio Heroes	Grants for Grads
With No OHFA Assistance	6.500%	6.250%	
With 2.5% OHFA Assistance	7.000%	6.750%	6.875%
With 5% OHFA Assistance	7.500%	7.250%	7.375%

**6.250%**

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## 2.5% or 5% Grants for Grads

- Borrowers must have graduated college within the last 48 months with an associate's, bachelor's, master's or doctorate degree.
- If the buyer stays within Ohio for the first 5 years, they don't have to pay back the down payment assistance, even if they sell or refinance the property.



## Grants for Grads Repayment Requirements Only if Moving Out of Ohio

Time Resided in Home	Amount of Grant Owed to OHFA
Less than 1 year	100%
1 year to 2 years	80%
2 years to 3 years	60%
3 years to 4 years	40%
4 years to 5 years	20%
5 years or more	0%

## FHA Loan (3.5% DP Requirement)

Purchase Price	\$200,000
5% Grants for Grads Assistance	\$10,000

### Subtract the Down Payment and Closing Costs

3.5% Down Payment	-\$7,000
1.5% Closing Costs	-\$3,000

---

**Approximate out-of-pocket funds: \$3,000-\$5,000**

- This is based on approximate closing costs of \$6,000. Closing costs vary for each lender.
- Seller can contribute money towards buyers closing costs.

# Closing Disclosure Example FHA Loan

Total Closing Costs (a+b)	\$	12,084.28		
Total Estimated Funds Needed to Close (Details of Transactions)				
a. Purchase Price	\$	200,000.00	j. Subordinate Financing	\$ 10,000.00
b. Alterations	\$		k. CC paid by seller	\$
c. Land	\$		l. SellerCredit	\$ 4,000.00
d. Refinance	\$			\$
e. Estimated prepaid items	\$	2,109.83		\$
f. Estimated closing costs	\$	6,146.95		\$
g. PMI, MIP, Funding Fee	\$	3,377.50	New First Mortgage	\$
h. Discount (if Borrower will pay)	\$		CC from 2nd	\$
i. Total Costs (a through h)	\$	211,634.28	CC Paid by Broker, Lender, and Other	\$
			m. Loan Amount	\$ 193,000.00
			n. PMI, MIP Financed	\$ 3,377.00
			o. Loan Amount (m + n)	\$ 196,377.00
			Total Credits ( j through n)	\$ 210,377.00
			p. Cash to/from borrower	\$ 1,257.28



# Closing Disclosure ExampleFHA Loan

Transaction Summary	
Total Estimated Monthly Payment	
First Mortgage	\$ 1,241.24
Other Financing	\$
Hazard Insurance	\$ 100
Real Estate Taxes	\$ 250.00
Mortgage Insurance	\$ 88.01
HOA Dues	\$
Other	\$ 0.00
Total Monthly Payment	\$ 1,679.25

## Personal Loan Quote

Property Address: TBD, Sunbury, OH 43074

Borrower Name(s): OHFA Example

Total Loan Amount: \$196,377.00

Program: FHA

Interest Rate: 6.500%

APR: 7.499%

Fixed/ARM: Fixed

Loan Term: 360

Date: October 22, 2024

For informational purposes only





# Mortgage Tax Credit Program

- The intent of the tax credit is to help first-time homebuyers afford homeownership.
- *Must request the tax credit when applying for your mortgage loan.*



# Mortgage Tax Credit Program Example

\$200,000 Home Purchase	
Loan Amount	\$194,000
Loan Term	30 Years
Interest Rate	7%
Mortgage Credit Rate	20%

# Mortgage Tax Credit Program Example

<b>Form 8396</b>  Department of the Treasury Internal Revenue Service	<b>Mortgage Interest Credit</b> (For Holders of Qualified Mortgage Credit Certificates Issued by State or Local Governmental Units or Agencies)  Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form8396">www.irs.gov/Form8396</a> for the latest information.	OMB No. 1545-0074
		<b>2023</b> Attachment Sequence No. <b>138</b>

1	Interest paid on the certified indebtedness amount. If someone else (other than your spouse if filing jointly) also held an interest in the home, enter only your share of the interest paid . . . . .	1	\$13,517.57
2	Enter the certificate credit rate shown on your <b>Mortgage Credit Certificate</b> . <b>Do not</b> enter the interest rate on your home mortgage . . . . .	2	20%
3	If line 2 is 20% or less, multiply line 1 by line 2. If line 2 is more than 20%, or you refinanced your mortgage and received a reissued certificate, see the instructions for the amount to enter . . . .	3	\$2,703.51



For informational purposes only



# Mortgage Tax Credit Program Example

Year	Interest	Principal	Ending Balance	Tax Credit Savings
1	\$13,517.57	\$1,970.67	\$192,029.33	\$2,703.51
2	\$13,375.11	\$2,113.13	\$189,916.20	\$2,675.02
3	\$13,222.35	\$2,265.89	\$187,650.31	\$2,644.47
4	\$13,058.55	\$2,429.69	\$185,220.62	\$2,611.71
5	\$12,882.91	\$2,605.33	\$182,615.28	\$2,576.58
6	\$12,694.57	\$2,793.67	\$179,821.61	\$2,538.91
7	\$12,492.61	\$2,995.63	\$176,825.98	\$2,498.52
8	\$12,276.06	\$3,212.18	\$173,613.80	\$2,455.21
9	\$12,043.85	\$3,444.39	\$170,169.41	\$2,408.77
10	\$11,794.80	\$3,693.39	\$166,476.02	\$2,358.96
				<b>\$25,471.68</b>

- According to the National Association of Realtors, 10 years is the average time a homebuyer stays in their home.

## Mortgage Tax Credit Program Example

- Homebuyer made \$70,000 in income. The homebuyer owes approximately \$3,000 in federal income taxes.
- Their mortgage tax credit (first year) is **\$2,703.51**.
- Total federal income taxes now due are **\$296.49**.
- If the homebuyer claimed the credit for the first 10 years on their mortgage, that could be a savings of **\$25,471.68** in federal income taxes!



# Mortgage Tax Credit Program-Continued

Two options for claiming the credit:

- End of the year tax credit.
- Adjust your withholding to pay less taxes throughout the year.



# Mortgage Tax Credit Program-Credit Rates

**MTC Basic** (Can be used with any loan including non-OHFA loans. The lender still needs to be an OHFA-approved lender.)

**Non-target areas** = 15%

**Target areas** = 20%

**MTC Plus\*** (Can combine with multiple programs and products and receive maximum 40% tax benefit under the MTC program.)

**OHFA Loans** = 40%

**\*There could be an interest rate increase for the mortgage tax credit plus program.**



# Mortgage Tax Credit Program-Credit Rate Example

<u>Annual Interest</u>	<u>x % =</u>	<u>Credit</u>
\$10,000	15%-Non-Target	\$1,500
	20%-Target	\$2,000
	40%-OHFA Loan	\$2,000 (Max amount allowed)



## Next Home

- Next Home is available for Ohio homebuyers who are not firsttime homebuyers.
- Homebuyers can receive 2.5% down payment assistance.
- Most of the eligibility requirements are the same as the firsttime homebuyer program.





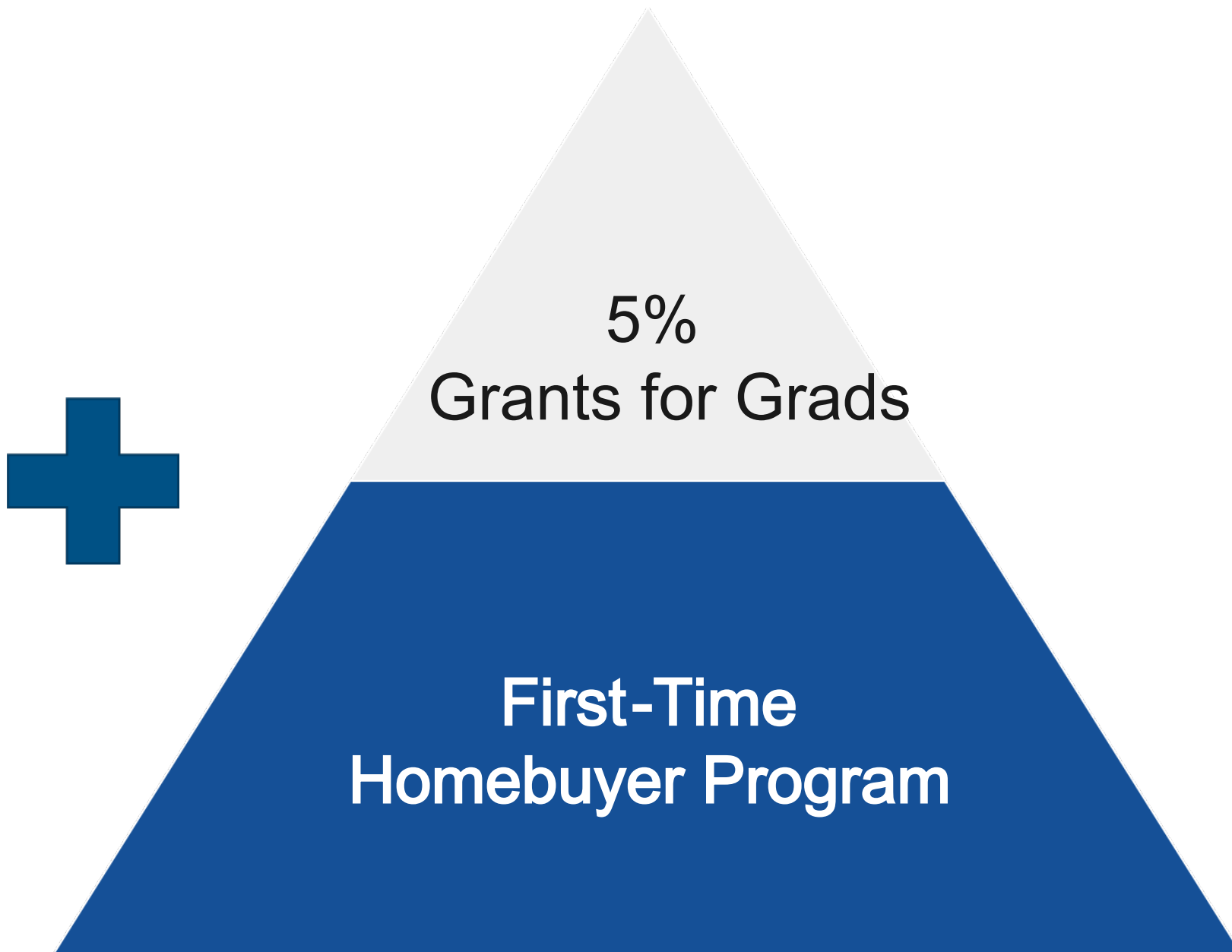
5% Your Choice  
Down Payment  
Assistance

**First-Time  
Homebuyer Program**



2.5% Your Choice  
Down Payment  
Assistance

**First-Time  
Homebuyer Program**

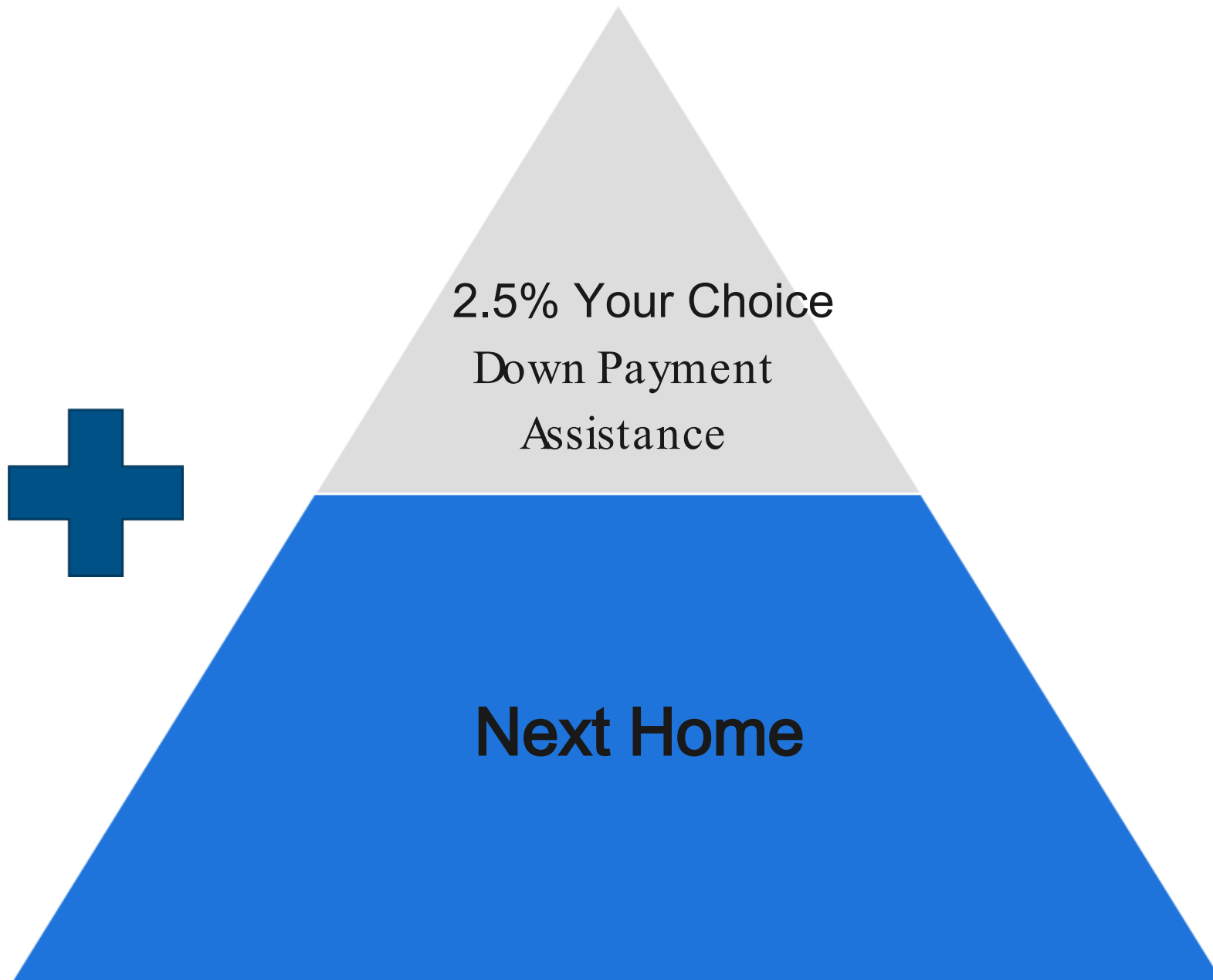




5% Your Choice  
Down Payment  
Assistance

First-Time  
Homebuyer Program-  
*Heroes*







# Social Media Toolkit

- Visit [ohiohome.org](http://ohiohome.org) and click on "Our Partners" and then "Real Estate Agents."

– Download the Down Payment Assistance social media image.

(After clicking the link above, right click on the image in order to save the image)



[Target Area Search](#)

[Homeownership Products](#)

[Power of Home](#)

[Advertising Guidelines](#)

[Customizable Marketing Flyers](#)

[Social Media Tool Kit](#)



- Your certificates will be emailed by Tuesday.
- Copy of today's presentation [Ohiohome.org/RP](http://Ohiohome.org/RP)





***All information in this presentation, brochure, or term sheet is for informational purposes only. OHFA Homeownership Programs and Products are subject to change. Additional eligibility requirements may be required based on borrower specific criteria.***

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