

MOVE UP TO YOUR

NEXT DREAM

HOME

Priority
HOME LENDING, LLC



EXPERIENCE A

BETTER WAY

TO BUY A HOME WITH
CONVENTIONAL FINANCING



PRESENTED BY



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WELCOME TO THE
MOVE-UP BUYER WORKSHOP
HAPPY HOUR

MOVE-UP
OPTIONS

- 1) SELL CURRENT HOME, THEN BUY NEW HOME
- 2) BUY NEW HOME, THEN SELL CURRENT HOME
- 3) BUY NEW HOME, THEN RENT CURRENT HOME

THE MOMENT YOU REALIZE...

YOU WANT A NEW HOME, BUT HAVE TO DEAL WITH
YOUR CURRENT ONE FIRST.

THOUGHTS OF A MOVE-UP HOMEBUYER:

- If I don't sell my current house, I won't have enough cash for a down payment on a new home
- If I buy a new house before selling my current one, I won't have enough income to qualify for 2 mortgages
- I want to be a landlord! How do I keep my current home as a rental property and buy a new home to live in?





A CLOSER LOOK AT

DEBT-TO-INCOME

RATIO (DTI)

- DTI shows if you can afford a monthly mortgage payment
- Listed as a percentage of monthly income that goes towards your total monthly debt

YOUR
MONTHLY DEBT

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YOUR PRE-TAX
INCOME

HOW MUCH DOWN PAYMENT?

HERE ARE THE MINIMUM AMOUNTS REQUIRED:

- Minimum 5% down for up to \$766,550 loan amount
- Minimum 10% for \$453,100 - \$1.5 million for non-QM loan amounts





SHOULD I SELL

MY HOUSE

BEFORE I BUY A NEW ONE?

A challenge that you could face is what to do if you sell your current home before finding a new one.

PRO

You know the exact proceeds from the sale of your home.

CONS

You have a shorter timeline to search for a new home. Plus, you may need a backup place to live while you find a new home.

HERE ARE SOME EASY SOLUTIONS!

FIND A TEMPORARY RENTAL

- Sell your current home, then secure a short-term lease until you find a new house

REQUEST A RENT BACK

- Request a sale-leaseback (literally) from your current home's buyer
- You live in your home for a set time and at a monthly rent paid to the buyer
- Terms for the leaseback are agreed upon during negotiations
- Gives you more time to find your next home

CAN I BUY

A NEW HOME

BEFORE I SELL MY CURRENT ONE?

PRO

You have more time to look for a new home.

CONS

You won't know the exact proceeds from the sale of your home, so you'll need funds other than your home equity. Ideal timing for buying and selling may not align.

IF YOUR OLD HOME IS STILL IN THE PICTURE...

You may find yourself facing these challenges if you want to buy a new house before selling your current one:

CHALLENGE 1:

HOW DO I GET A DOWN PAYMENT FOR A NEW HOME?

CHALLENGE 2:

I NEED MORE MONEY! HOW CAN I BOOST MY QUALIFYING INCOME?

SOLVING CHALLENGE 1

DOWN PAYMENT DILEMMA

HERE'S HOW YOU COULD GET A DOWN PAYMENT ON A NEW HOUSE BEFORE YOU'VE SOLD YOUR CURRENT HOME.

- Home equity line of credit (HELOC)
- Gift funds
- Minimum down payment programs
- 401k loan
- Penalty-free IRA withdrawal
- Cross collateral
- Cash-out refinance
- Margin loan
- Promissory note on the home you're selling (departing residence)



CAN I BUY A

NEW HOUSE

AND RENT OUT MY CURRENT HOME?

MAYBE YOU'VE DECIDED TO KEEP YOUR CURRENT HOME AS A RENTAL AND BUY A NEW PLACE TO LIVE.

The good news: You don't need previous experience as a landlord to make this happen.

Even more good news: You could use rental income to help qualify for your next home.

MORTGAGE MATH

Current Home Mortgage Payment: _____

Estimated Gross Rent: _____

Net Rent at 75%: _____

New Home Mortgage Payment: _____

Qualifying Income: _____

Debt-to-Income Ratio: _____

SOLVING CHALLENGE 2

NEED MORE MONEY!

BUYING A HOME BEFORE SELLING YOUR CURRENT ONE MEANS PAYING FOR TWO MORTGAGES.

These options could help you qualify with enough income to cover those payments.

- Lease the home you're departing
- Exclude the mortgage payment on the departing residence
- Add a co-borrower on the next home
- Pay off debts





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Priority Home Lending, LLC | WA CL-1031451 (Branch NMLS 1031451) | Licensed under the Oregon Consumer Finance Act.
CARMLA 41DBO-71795. Licensed by the Department of Financial Protection and Innovation under the CA Residential Mortgage Lending Act.

Not a commitment to lend. Borrower must meet qualification criteria.

This information is meant to be a guide showing the financing process. Not all transactions may follow the illustration or steps listed due to the requirements and process specific to the type of home loan a borrower qualifies for.

