

Securing Financing For Your New Home

📅 Mon, 04/08 09:01AM ⌚ 21:52

SUMMARY KEYWORDS

property, triangle, realtor, home, pre, approved, day, credit union, document, process, homebuyer, buying, first time buyer, new hampshire, income, rate, al, loan, years, contract

SPEAKERS

Introduction, Al Lima, Wil, Terri

-
- T** Terri 00:00

Welcome to the Making Money Personal podcast in today's episode Will and Terri will be discussing the first steps of home buying with Al Lima, a mortgage originator at Triangle Credit Union. If you're a first time homebuyer or ready to make your next move, we invite you to stay tuned.

 - I** Introduction 00:23

You're listening to Triangle's Making Money Personal podcast, where we engage in real talk about financial matters that affect our community. Today's episode is sponsored by Triangle Credit Union recently voted best credit union and New Hampshire. Triangle Credit Union, a better way to bank.

 - T** Terri 00:42

Thanks for joining us, everyone. This is the first episode in our Mortgage Madness series. Joining us in the studio is Al Lima, Mortgage Originator with Triangle Credit Union. Welcome Al.



Al Lima 00:51

Thank you very much happy to be here.



Terri 00:54

Let's talk about home ownership. If I'm in the market for a new home as a new home buyer, what is my first step?



Al Lima 01:01

Well, the very first step would be coming into a local branch with us at the credit union to sit down and discuss the process and procedures of buying a property.



Terri 01:12

Okay, so what, what would be the questions that you would be asking me what what do I need to be prepared for?



Al Lima 01:18

Sure. So most perspective individuals come in, and it is a very overwhelming process. It's scary, and it's intimidating for some people. So what we try to do is, you know, remove that fear of buying and educating, you know, everyone that it's not that scary and that you can buy a home, and you just gotta, you know, know a couple things. And we can be there to guide you through that process to help educate you on what those things are. So a lot of folks will come in, and they'll be like, you know, we want to buy a home, we want to buy a condo, but we don't know where to start. What do we do, we've never done this before. And my job is to sit across the table and go, Well, this is what I do. And I can help you answer those questions and help you get into that property that you want to get into. And, you know, the first question we usually get is well, you know, how much do I have to put down to be able to buy a home. And a lot of people, you know, think it's a large amount, whether it's 30%, 40%, 50%. But in reality, you can purchase a property with as little as 3% down in today's market.



Wil 02:20

Right.



Al Lima 02:21

Some folks will put more down, which is great. But when I say you can do as little as 3%, a lot of folks perk up with that, because they realize it's more obtainable than they might have thought five minutes earlier.



Wil 02:31

Right.



Al Lima 02:33

So that's usually the very first question. And then, you know, the second question being, well, I don't know what I want to buy, I don't know how much can I you know, get am I approved for this amount? You know, I want this can I get that? So the fear is, you know, they might have dollar amount in mind, and they don't know if they can get that. So my job is to sit there and work closely with them to explain the process and what we look for, in getting pre-approved and saying to them well, you know, tell me in your heart of hearts, what is it that you want to get pre-approved for? Do you have a certain dollar amount in mind? Do you have a certain type of property you want to buy? And from there, we can work on the numbers and we can work on trying to get you into that type of property you're looking for. And a lot of folks will say, you know, um say, for example of \$200,000, is what I'm looking for. So my job is to work with you to try to get you into that goal and that number. And we do that through a pre-approval process. And, you know, we sit down and we run an application. And essentially what we do is we take all of your personal information, income information, your credit report information, asset information, and we plug it into our database, and from there were able to generate an application and we can then kind of see in writing and on paper, what you may be able to get pre-approved for.



Wil 03:47

Now what kind of documents does a perspective homebuyer, would need to bring in when they when they meet with you to kind of help the process go a little smoother?



Al Lima 03:59

So you know, for most prospective buyers right off the bat, we look for income documentation. And that can be anything from if you're an hourly or a salaried employee W2s or pay stubs, if you're self employed tax returns, even if you're retired, retirement income. So income doesn't fit into a certain mold, income can be from any source of which

you obtain it. So income would be the biggest documentation we would look for, as well as asset documentation. So bank accounts, retirement accounts, stocks, bonds, wherever your monies might be that you're thinking of maybe using towards the purchase of a property, we would require those documentation in the beginning process, and there's a lot of other documents as well. But initially for the very basic level of just getting a pre approval, we kind of look for your income documentation, and your asset documentation. Those are the two biggest sets of documents we look for, which helps to speed that process along for your pre-approval.



Terri 04:57

How long does the process normally take? Say, hey, I'm interested in buying the house. And we go, you know, so then you tell me, okay, these are the types of materials that we need to gather. And we go through the application process. How long will it take to get back to the prospective homebuyer and say, you know, you've been approved.



Al Lima 05:21

So what we strive to do at the credit union, because we understand how important it is to have a pre-approval letter in your hand to give to your, to your realtor or buying agent, we do everything in our power to try to turn around a pre-approval in one to two business days for you.



Terri 05:31

Oh, that's excellent.



Al Lima 05:32

So when we have a client come in, and they're looking for a pre-approval letter, we do everything in our power to try to generate that letter and approval within one to two business days. And there are even times where we've had members say, I want to put an offer in today I need this now. If allowed, and if the time works, right, we can even try to get a pre-approval letter, same day, working hand in hand with our underwriting team, which is very unique in our ability to do that where some other maybe larger institutions might not be able to generate within the same day we can we can try to do that to make sure you can get into that property and get that property under contract quickly.

T Terri 06:08
Awesome.

W Wil 06:09
Awesome.

T Terri 06:09
So we have a membership scope right Al.

A Al Lima 06:12
We primarily lend in I can tell you we lend in New Hampshire, we don't do any lending in the states of Maine, Vermont or the other territories around us. It's basically New Hampshire and the four northern regions in MA,

A Al Lima 06:26
that we can lend upon at the moment.

T Terri 06:26
Okay.

W Wil 06:27
And this has nothing to do with, well, everything to do with where the homebuyer lives, but also where the property is located? The property also has to be located in New Hampshire, and in the northern parts of Massachusetts.

A Al Lima 06:40
Correct. You can have, you know, if you're an existing member, and let's say you live in Florida, and you reach out to us because you want to buy a seasonal property in the Lakes region in New Hampshire, just because you live in Florida, that's fine because the property itself is within our lending territory. So that's fine. You know, you could be elsewhere, as long as you're a member and you have the membership eligibility requirements, right, as long as the properties within those regions, we can still lend upon it.



Wil 07:04

But the member living in Florida can't reach out to us for a property in Florida.



Al Lima 07:08

Correct again, in just all of New Hampshire in the four northern counties of MA.



Wil 07:12

Got it.



07:12

of mass Got it?



Terri 07:13

Awesome.



Wil 07:14

So Al, can we talk about the different types of loans that we that we have, like the adjustable rates, the fixed loans, pros and cons of each?



07:24

year? You know,



Al Lima 07:25

Sure. You know, I'll just start the segment by saying that I really won't disclose any rates per se. only reason is on a daily basis, our interest rates can change. So what I say at this moment could be different tomorrow or the next day. So in terms of rates, my recommendation would be just to give us a call at your convenience, and we can give you a quote on what the rate is for that day. On a daily basis, you can see changes with that. So I don't really want to give any rates because they could change in the next hour or so. To be honest with you, but we do here at the credit union have a lot of programs available for buyers and whether it's a first time buyer a second time buyer an investment buyer, a

seasonal homebuyer, we have programs to fit your needs. Right now the most popular products we have available, the that we're seeing a lot of activity on is our 5/5 adjustable rate mortgage. Reason that one's very popular is it allows you to put as little as 3% down on a property. So if you're a first time buyer, or if you're somebody that's looking for a low monthly payment, we can even look at doing it for 40 years, versus the standard 30 years for you, to try to extend that term to give you a lower payment, which for some folks is great for for from a cash flow standpoint.

T

Terri 08:40

Not only that with the inflated, I certainly think that we're in an inflated housing market right now. Right. So, you know, I know what I paid for our last house, which was only a couple of years ago, and now it's already you know, \$50,000 over that in terms of its value. So I do think that we're in an inflated market right now and when you're looking at the overall price of the loan, it's 40. You know, to pay that back over 40 years is a is a lot more doable than maybe a 20 year term or a 30 year term, right?

A

Al Lima 09:13

Correct. Yeah. And that's, that's a great point Terri is right now the housing market is inflated, and we are seeing values of properties higher than they were three, four or five years ago. So for some folks that want that property, they're looking at is a little more pricey, going out for 40 years could potentially give you the payment that's comfortable for you and can work for you at this time. And then you know, down the road, let's say you get into an adjustable and it starts changing, there's always that option of refinancing it as well. And that can kind of segue me to our fixed products. So we offer a plethora of fixed interest rate loans as well. And the most popular one we have is our 30 year fixed. And that rate, kind of you know, speaks for itself. It's fixed for 30 years. So let's say you come in and your rates 4%, that rate will be 4% for 30 years. So you know your your interest rate will not be changing during the life of the loan.

W

Wil 10:06

And your payment will stay the same.

A

Al Lima 10:08

Correct, your payment stays the same, it doesn't change, it gives you that stability. And it is a great product as well for folks that are looking for that even keel for the whole 30 years. You know, we also offer other products we have a 20 year a 15 year or 10 year, we

also have a 3/3 adjustable rate mortgage. So similar to the 5/5 it just adjusts in three year increments versus the the five year so we have a lot of options available and we do our own underwriting. So if you were to come in and be in a situation, we can sit down and work with you and work with the underwriting team. If you're in a unique situation we we have that ability to try to work with you with any type of circumstances you may have to get you into whether it's one of our fixed rates or one of our adjustables to try to help you get into that property.

W

Wil 10:57
Right.

T

Terri 10:59

I just have a follow up question to AI as far as when we go back to the pre-approval process. If I'm approved, when does my interest rate, um, yeah, when does my interest rate get secured? Like if I get approved, and at that time, the interest rate is, let's say on a fixed, I'll say it's a fixed, and it's, you know, 4.25%. If I get approved, do I get that rate? Or is that, is my rate, the rate that I get the day of closing?

A

AI Lima 11:33

So I believe you're referencing our rate lock and how you can lock a rate, right? Right. So essentially, you you're able to lock in your interest rate upon receipt of, if you, let's say you're buying a property when you come in with a purchase and sales agreement, and you have all the documents to essentially move to the next step, we can lock your interest rate at the time.

T

Terri 11:51
Okay.

A

AI Lima 11:51

If you come in and say hey, I want to get pre-approved, I'm out shopping around, I don't have a property yet. We can't lock you in then because there's no property. So you're kind of, it's in a floating status. If you come in with that contract, we can lock you in. If you come in for a refinance, let's say and you want to refinance a property you have, if you come in with all of the income documentation, the asset documentation, we can essentially lock you in right at that time, because the property is already, you already own

it, so we can move a little quicker in terms of a rate lock with that. And, you know, our rate locks, are good for 60 days, I mean, so essentially, you know, we kind of covered the very first step which is coming in to me with me to talk what we can do try to get you pre-approved, then essentially, in conjunction with that process is what do we have for programs to offer? So, you know, a lot of folks will then say, Okay, well, you know, say a day goes by and I get them pre-approved, and they have that document in their hand. The next step is going out to look at home. And for first time buyers, you kind of have that deer in the headlights look, they go, "here you go, you're pre-approved for \$200,000, have fun. I'll talk to you in 30 days. See you later bye." Then they look at me and go, "What do I do?" And a lot of folks don't know the next steps of that process. So you know, the fear is there of like, okay, can I buy a home? We're about to make one of the biggest investments in our lives rather than maybe having a child, let's say, right? So you're about to, you know, you know, go into this process of what everyone says is scary, and you're going to buy something that will tie you down for potentially 30 years. Right? Right. So it's very overwhelming. And my job, I don't want to just hand you a piece of paper and say, Here you go, good luck. Let me know when you find the realtor and you are all set. So I kind of want to talk about the next step of the process. And with that is, you're pre approved, you're comfortable with the programs, you're comfortable with the requirements. And now you want to go look.

W Wil 13:38
Right.

A Al Lima 13:39
Generally speaking, the very next step is you gotta find a realtor. And if you're ever in the market, or if you ever need a realtor, we at Triangle have a lot of great colleagues that we know in the industry and work with closely. And again, reach out to myself or any one of the originating team and we can gladly provide you a list of realtors that we feel very comfortable working with over the years, and can certainly set you up with them if you wish. But let's say you have a realtor. So what you gotta do is you've got to take that letter, you're going to go with that realtor, you're going to go look at homes and whatever type of property you are in the market for. And again, that can be overwhelming. But having a great realtor can help put that overwhelming feeling aside and make it very easy and painless. Just like I want to make it painless when you come in to get financing with me. And again, if you ever need a realtor, all the realtors we work with hand in hand. They know us very well, they know our programs, and it's a very cohesive type of environment that we work together with. So they know what we need and we know what they need. So again



Wil 14:36

I imagine you you work very closely with the realtors as far as communicating with them. If like something that may not need to involve the member just to help them out. Right It's something that could probably be worked out between you and the realtor.



Al Lima 14:48

Yeah, there's a lot of back and forth that goes on that the members don't even know about because my job again, I don't want to bother you as the buyer. When you have you know a job or children.



15:00

you're trying to buy a house, I want to put it at ease that you know there's there might be a hiccup, let's say. But if I can resolve it with the realtor, I'll just communicate with the realtor on your behalf. Right That way, you don't have to get bogged down with them and worry about it. And this goes on quite often. And the members don't even realize that communications that go on. Because we don't want to bother you, we want to make sure we're doing everything that we have to do with spite of our job. And at the end of the day, you just come to the closing and sign on the dotted line. And if we can do all that behind the scenes and not have to bother you, that to me is a win. And that to me is the kind of process I want to have for you. Because I don't want you to have to worry about anything, if you don't have to, I want you to come in and get pre approved, have a great time, enjoy the excitement of buying a home, and then come in and close on it knowing that you're in the best property for the best program for the best price. And it was a smooth, easy process for you. That's, that's my job. And any real to whether it's one we recommend, or one you have, I will work hand in hand with them to make sure it's a smooth, easy process. And that you're you're not being worried or you're not having any homework to do or running around to do because my job is to make sure I do that for you.



16:04

Right. That's fantastic.



16:06

Yeah. So you know, essentially, again, you find the reality go look at the properties, you know, there, I could talk for days about buying a home, and what comes with that in

terms of the actual location itself. But I really won't get into that here. I'm just going to go you know, kind of through the steps for you. But if you're going out, you're looking at a home, you find the home, the realtor helps you there. What's going to happen then is say you find your dream home, you're going to come back to me. And you're going to come back to me with the purchase and sales contract. Now the realty you have will work on that document with you and work on getting it set up. So you won't have to worry about that they'll work on that for you. In generally speaking, the contract comes into me and you come in all excited, and we're ready to go to the next step of the process. So what happens now is we started at a pre approval, you got the document the pre approved, now you're coming back to me and we're taking that pre approval. And essentially, we're converting it to any live application, which point we can tie it back to the rate lock, we can lock in your rate. And we can start the process of getting financing for this specific property you found. So what will happen is you'll come in with a document, you'll sit down with me and we will update your application is needed. And we will then make a nice file of everything we need. And will notate the closing date will notate when a commitment date is due. And those are the two most important dates on the contract. So a commitment date essentially is important day for me as the lender because i that is the date, I have to provide a document to the realtors, that you are 100% finance for this property and you are getting that home. And generally speaking, the commitment date is roughly one and a half to two weeks before the closing date. So we work on getting that commitment date met. And then we also work to meet the closing date for you that's on that contract.



17:53

So back to the commitment date. That's when an essence triangle is quote unquote, committing to final financing this loan,



18:00

correct? Yeah, what you're saying correct, we provide a written document that basically guarantees that you are getting financing for that property. And we are going to meet your requirements for the closing



18:10

out not to nitpick, but when you say that property, it has to be that property or



18:15

correct. Okay. Yep, you know, our applications there are, you know, if you come in and you submit a contract for a property, and we move forward, it's for that property, okay? if things change halfway through the process, and the deal falls through, let's say, and another property comes up in another property comes up in a nutshell, we have to start all over again. Okay, just to keep it very simple. It's a whole new request we're going to be doing for you. Okay, so it's per property that these applications are occurring.



18:41

Okay.



18:42

Okay, so thank you so much. This has been really valuable information. You know, I don't know how you feel well,



18:49

we'll have to go get a mortgage right with



18:51

actually it without



18:54

actually be a whole new series right there mortgages without, leave it alone. So out one more, you work for triangle credit union, your mortgage originator here? How is what's the best way for people to get in contact with you?



19:06

Sure. Again, yep, you can many ways to reach me, you can give me a ring on the phone at 603-889-2470. And just asked for our the only one in the company that I know of. So they'll make sure that you get to me, you can always send me an email at a Lima, that's a Li ma at triangle see you.org those are the two best ways to reach me. And generally

speaking, I try to return any phone calls, same business day so we can take care of if you call it



19:33

awesome, awesome. The other thing we don't we also wanted to mention is that we do have homebuyer seminars going on. And we will be posting those out on our website. So if anyone is interested, we typically have those in the spring. So if you're listening to this, and it's the fall, you'll just have to wait a few months. But certainly check us out there.



19:52

Yeah, we I personally will be doing a few seminars in the coming months, I will be doing one out of every location, one at our Franklin three location in one at our st Joe's locations in the next coming months. So yeah, check our website for the dates and times. But I'll personally be at those locations. So if you wanted to attend, you certainly can. And you could always ask me some questions personally after the event, right. And we love to work one on one of these events with you. So you can always attend one of those Home Buying seminars, in you're going to learn a great deal of more information from myself and all my colleagues if you were to attend one of those events with us,



20:26

right? And it is I mean, even a podcast like this, this is general information that people are equipping themselves with, but that opportunity to have that face to face time and get you know, their their specific questions answered. That's the perfect opportunity for that.



20:42

Yeah, I mean, I guess if I were to summarize this, this podcast today and everything that I do, when you come in as a buyer, my goal from day one and minute one is to make this a seamless, easy process for you. And I don't want you to be scared or afraid or intimidated. So coming to see me I can do I will do everything in my power to make sure it's exciting. It's fun for you in that by the end of the day, you don't have any stress when it comes to buying a home, whether it's your first, second, third or fourth. that's ultimately what I'm going to try to strive to do for you as a home buyer.



21:11

Great. You know, it's awesome. Thank you all so much. We really want to welcome



21:14

you here. Thanks. Thank you.



21:17

This has been the making money personal podcast with will and Terry. For more information on all of triangle credit unions, products and services, feel free to visit us at triangle see you.org if you have any questions or a subject that you'd like us to cover in a future episode, we'd love to hear from you. shoot us an email at TC podcast at triangle see you.org and we'll do our best to cover it on the show. Thank



21:39

you and take care.



21:40

See you later guys.