

MONTHLY MORTGAGE LOWDOWN

Finding Unique Programs That Fit Every Buyers Situation



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TITLE & ESCROW DONE RIGHT!



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Mortgage Expert, 20+ years of Experience

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TOPICS COVERED

- **Mortgage Rate Update** - September 27, 2022
- **Buydowns 101** - Permanent Buydown vs 2-1 Buydown
- **ARM Loans** - Which ones make sense?
- **2023 Conventional Loan Limit** - What you need to know
- **Broker VS Retail Lender** - The choice is clear!

MORTGAGE RATE UPDATE: SEPTEMBER 27, 2022

PROGRAM	DOWN	RATE	APR
Conventional 30 YR	20%	6.999%	7.359%
Conventional 30 YR	5%	6.999%	7.786%
Conventional 30 YR	3%	7.250%	7.8796%
FHA 30 YR	3.5%	5.875%	7.345%
VA 30 YR	0%	5.875%	6.237%
Jumbo 30 YR	20%	7.250%	7.658%
Jumbo ARM 10/1	20%	5.250%	5.674%
ARM 6 MO	5%	4.875%	X.XX%

**The above table is for informational purposes only and rates are not locked. Numbers based on a borrower with a FICO score of at least 740.*

BUYDOWNS 101 - PERMANENT vs 2-1 BUYDOWN



Sales Price	\$385,000
Loan Amount	\$365,750 (5% Down)
Interest Rate (Annual)	6.999% (7.632% APR)
Loan Period	30 Years
Monthly Payment	\$2,770
Total Payments	360

2/1 BUY DOWN					
Interest Rate	Payment	New Payment	Monthly Savings	Payments at Rate	Annual Savings
5.999%	\$2,770	\$2,530	\$240	12	\$2,880
4.999%	\$2,770	\$2,300	\$470	12	\$5,640
2/1 BUY DOWN COST (SELLER PAID)					\$10,162

PERMANENT BUY DOWN					
Interest Rate	Payment	New Payment	Monthly Savings	Payments at Rate	Total Savings
6.250%	\$2,770	\$2,589	\$181	360	\$65,160
PERMANENT BUY DOWN COST (SELLER PAID)					\$9,034

Price Mortgage scenario based on Rate Quote from 09/27/2022 for a 30 Year Fixed Conventional Mortgage, with 80% Loan-to-Value, loan amount of \$365,750 and Credit Score of 740+. PMI Extra, Rates, terms and fees may vary and are subject to change without notice. Not all will qualify. *Savings calculated over buy down period.

Enjoy reduced mortgage payments by getting the seller to temporarily buy down the rate either permanently or up to 24 months!

This is a great way to **SAVE THOUSANDS** in the first 12-24 months of your mortgage. The rate returns to the original locked note rate as the buy down expires.

ARM LOANS - WHICH ONES MAKE SENSE?

6 MONTH ARM

Priced out of the market?

With rates more than doubling since the beginning of the year, our new 6 month ARM program can provide you a much lower payment during this period of high rates!

This is great program that may be a HUGE difference in getting more of you approved for an affordable payment in this market.



HOW DOES IT WORK?

- *Qualify at the note rate +2%*
- *Loan amounts from \$200,000 – \$2,000,000*
- *Max LTV is 90% (with no mortgage insurance!)*
- *680 Min FICO score (can do 660 FICO with 20% down)*
- *Max DTI ratio is 45%*
- *Primary homes, second homes, and investment properties*
- *These have slightly different parameters*
- *1-4 Unit properties*
- *Follows the SOFR index, which is less volatile*

2023 CONVENTIONAL LOAN LIMIT

\$715,000

Effective immediately, no need to wait until 2023!

MAX HOME PRICE BASED ON DOWN PAYMENT

- *20% Down: \$893,750*
- *15% Down: 841,176*
- *10% Down: \$794,444*
- *5% Down: \$752,631*
- *3% Down: \$731,113*

**Single family properties*

THE SHOCKING NUMBERS

Bankrate published an article in 2015 around the topic of Mortgage Broker vs Mortgage Banker and which one is better for the consumer. After hearing from both sides, readers were asked to choose which they would prefer if they were in the market to buy or refinance a home.

The reader poll results were heavily in the favor of the Mortgage Broker. Over 90% of readers said they would choose a Mortgage Broker over a Mortgage Banker.

90%

of consumers prefer a Mortgage Broker
over a Mortgage Banker

Readers' poll

Whom would you approach for your next mortgage?



INDEPENDENT VS DEPENDENT MORTGAGE ORIGINATOR

- **Disclaimer:** This information is to embrace the math and facts around primary mortgage origination and NOT meant to offend anyone. There are some good people in this industry that just don't see or understand due to the reasons being discussed. With that said, it's vitally important for us as industry professionals to collect the facts when communicating with our clients (education over special interests).
- Experience, excellent customer service, communication, and closing on time is a requirement for all Mortgage Originators. This goes beyond that and addresses the integrity of the channel foundation.



MORTGAGE BROKER: A **transparent*** educator working for the consumer versus one retail lender, with independence allowing for wholesale lender competition and choice.

trans-par-ent - having thoughts, feelings, or motives that are easily perceived. The ability to see-through.

MORTGAGE BANKER: An **ambiguous*** sales person working for and representing one retail lender, rather than the consumer.

am-big-u-ous - unclear or inexact because a choice between alternatives has not been made.

QUESTION: How does the Mortgage Loan Originator I choose impact the RATES, FEES, and the overall EXPERIENCE I will have as a consumer looking to buy or refinance a home?



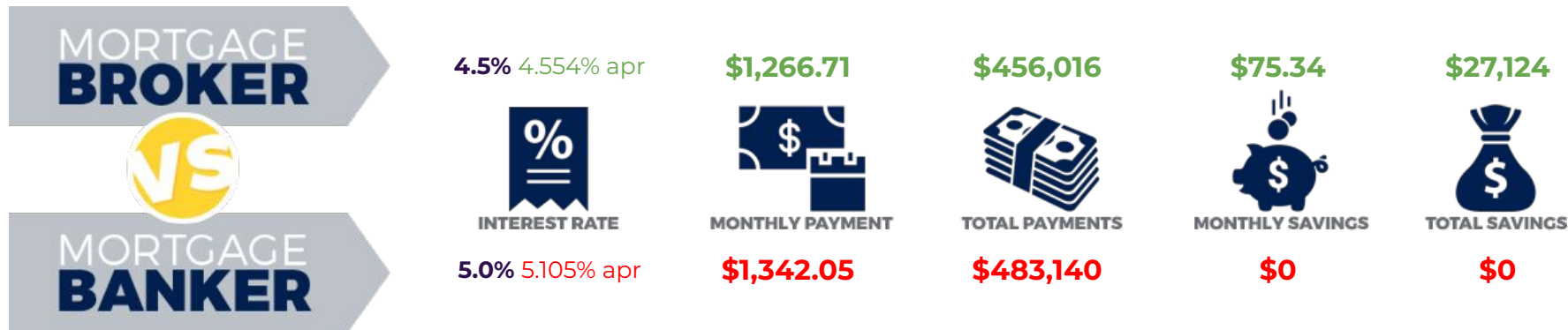
Mortgage BROKERS independently work for you, embracing a solid foundation based on lender competition and choice.

Mortgage BANKERS dependently work for one retail lender, making the foundation weak as special interests eliminate competition and choice.

MORE SHOCKING NUMBERS

47% OF HOMEBUYERS DON'T COMPARE LENDERS!

According to a survey by the Consumer Financial Protection Bureau, nearly half of all home buyers only considered one lender for their mortgage.



Numbers based on a 30 year fixed rate mortgage and \$250,000 loan amount.

**Above scenario is for informational purposes only and rates are for illustrative purposes only. Numbers based on a 30 year fixed rate and mortgage with \$250,000 loan amount, a borrower with a FICO score of 740, at 80% loan to value (LTV). The principal and interest payments do not include taxes and insurance premiums, which will result in higher actual monthly payments.*



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