

Beloved floating home community,

I received an update yesterday from my most frequently used lender, Trailhead Credit Union, letting me know that they will no longer allow escrow holdbacks for float work, they will only lend on a 4 rating, and they will only lend for primary residence (no second home financing). I routinely check in with the three lenders that finance floating homes to see what their current rate are as well as holdback policies. The end of this email outlines all three lenders current rates and policies.

What does this mean to you?

I often have cash buyers for floating homes at Oregon Yacht Club but for buyers who need a mortgage, this is big unfortunate news. Banner Bank seems to be the best option for now. But if you suspect that your float needs some repair, then I highly recommend getting a current float inspection with either Mark Even Construction or Duck's Marine and follow that with arranging for any indicated repairs. It takes a while to get on the contractor's calendar. Feel free to reach out to me if you have any questions or need referrals.

If your float is a 3+ or lower, you will need a cash buyer. (Or have the work done to bring it to a 4 before listing).

Or

If it is a 3 or 3+ AND the float report does NOT call out any work to be done, Banner will still finance it.

I will be bringing this to the attention of the float inspectors as well as the companies that do the float work.

In a nutshell: All lenders are requiring a 4 for financing and now all lenders require primary resident status. Rates are currently very high as well. See below.

I have a message in to Trailhead to see if they would consider holdback for the more minor "rot clean and shim" jobs. I will keep you posted on that.

With the exception of cash buyers, this will cause a slowdown in the market. I know you will have loads of questions and we are here to serve you and work on a strategy together. Please be patient with me as I try to get in front of this situation.

LENDER UPDATES:

TRAILHEAD:

Effective May 1st :

15-year fixed as low as 8.75%

7-year balloon as low as 9.00%

Minimum float rating of a 4, and no holdbacks for repair. Only primary residence. (no investment or second properties)

When any of this changes, I'll reach out and update you all.

INROADS CREDIT UNION:

Rates today are as low as 8.625% APR 20yr amortized. We require a float rating of 4 or 5 and holdbacks are an exception reviewed on a case-by-case basis.

BANNER BANK:

FYI, they do not do hold backs for repairs

However, they can potentially lend on a float rating of **a 3** or higher as a 20 year term loan as long as no **major** repairs need to be made

If the float rating is a 4 or higher than they do a 30 year term.

***Rates and Terms are subject to change without notice**

Rate range for new loans to Banner Bank.... Rate range below depends on FICO Score, Loan Term, new loan to Banner Bank, and type of Banner Bank Checking account you will open with Monthly loan Auto Pay:

*20-Year term Interest rate range: 7.625% to 8.418% APR Rates and Terms subject to change without notice

*30-Year term Interest rate range: **8.00% to 8.750% APR Rates and Terms subject to change without notice**

On a side note, for floating homes Banner does have an **unsecured home improvement term loan that goes up to \$15,000**

Might be handy for people wanting to get their floating home ready to sell...

This loan is for any owner-occupied home on the water or land, that is seeking home improvements up to \$15,000

- No Loan Fee
- No Closing Costs
- Unsecured
- No Pre Payment-Penalty
- Rates subject to change until application is submitted then rates are locked in for that day and based on FICO Score etc.
- Quick turn times 7-10 days

See below detailed info



HOME IMPROVEMENT RATES

3/4/2024

	FICO	\$1,000 - \$5,000	\$5,001 - \$10,000	\$10,001 to \$15,000	LOAN FEE
Home Improvement Program	800 +	8.24%	8.49%	10.24%	\$0
	750 - 799	9.24%	9.49%	10.49%	\$0
	700 - 749	10.24%	10.49%	10.99%	\$0
	< 700	10.49%	10.74%	11.24%	\$0

Loan Amount	Term
\$1,000 to \$5,000	12 to 60 months
\$5,001 to \$10,000	12 to 84 months
\$10,001 to \$15,000	12 to 120 months

*Loan Rates are 1% higher without auto payment from a Banner checking or savings account. -Banner's Best discount does not apply

Purpose: Funds must be used only for home improvement

Property type: Owner Occupied homes only

Fees: None

Loan Eligibility: Limited to one open Home Improvement Loan at a time

All loan funds must be disbursed before first payment is due. - 60 days max to first payment

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