



# The Mortgage Process

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# A Step by Step Guide to Financing the Purchase of Your New Home!

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- Our goal is to make the home loan process as simple and straightforward as possible.
- We do this by setting realistic expectations upfront and maintaining solid communication throughout the transaction.
- We believe that good communication and proper preparation is the key to smooth home loan process!

# Physician Mortgage (The Basics)

The Physician mortgage program is designed to making home ownership easy and affordable for recent medical school graduates heading into residency.

## Program Basics:

- 5, 7 & 15/1 Adjustable Rate Options
- 100% financing
- No Mortgage insurance required (NO PMI)
- Exclusion of Student Loan debt payments from the credit approval process
- Up to 6% seller paid closing cost and pre-paid costs are allowed
- Gift funds are allowed: No Limits
- Future Income allowed for qualification
- No Cash Reserves

## STEP ONE (1)

Use our “FAST TRACK” process to quickly Pre-Qualify.

- Take five minutes to fill out basic information online.
- Receive a Pre-Qualification Email and Letter within minutes.
- The letter will preemptively state the loan amount you qualify for
- Make a note: This is NOT a commitment to lend.

Upload all you documents securely online.



Fast Track

# Why is Pre-Qualification (PREQ) so critical?

## The Four C's

- **Capacity:** How much payment can you afford?
- **Capital / Cash Reserves:** Do you have enough cash on hand?
- **Collateral:** Are you paying a fair price for your home?
- **Credit:** Do you pay your bills on time?

## What is the Value of the PREQ?

- **Speed & efficiency** - Know you are qualified within minutes
- **Peace of Mind** - Knowing you have been screened by a bank
- **Confidence** - To start looking for a home and make an offer
- **Trust** - That you are getting the guidance you need to make good decisions

## Pre-Qualified

- No obligation
- Informal
- Specific purchase price
- Specific loan amount
- Based on opinion of questionnaire answers

VS

## Pre-Approved

- Formal commitment from lender
- Specific purchase price
- Specific loan amount
- Based on facts verified by documentation

## STEP TWO (2)

- You will receive an email from instructing you on next steps
- Read and Sign all e-disclosures immediately to prevent delays. (Electronically)
- Some of the documents you will need to provide prior to Approval:
  - Evidence of acceptance into a residency program
  - Executed (Signed) employment agreement with your residency program
  - All Bank Statements, all pages (including blank pages) 2-months
  - Source of Gifted funds (if using a gift to purchase home)
  - We will assist in finding the most appropriate type of mortgage loan for you
- You Receive:
  - A Pre-Approval letter for you to make an offer on a home / Realtor gets a copy
  - Choose the type of loan (5, 7, 15/1 Arm)

# STEP THREE (3)

## Lender Verifies:

- ✓ Credit Reports
- ✓ Your Financial Status
- ✓ Debt-to-Income Ratios
- ✓ Balances on all account statements
- ✓ Residency Enrollment (VOE) Verbal Verification of Employment
- ✓ Application accuracy
- ✓ Contract
- ✓ Sources of all funds for down payment and escrows
- ✓ Property Appraisal
- ✓ An underwriter will review the loan and submit for a final approval

## STEP FOUR (4)

Once All documentation is received and reviewed;

- ✓ Loan will be submitted for full approval and a closing date will be set
- ✓ You will receive an Initial Closing Disclosure (CD), which will provide an estimate of closing costs. You must open the email and click on the attachment.
- ✓ Once you open the CD, this will begin a three (3) day right of rescission. So you can change your mind at anytime. The loan can't close until the three (3) days expire.
- ✓ Our Closers will work with the Title Company to “fine tune” the closing statement. You will eventually receive a final settlement statement breaking down the closing costs and amount you need to bring to closing to close on your new house.
- ✓ Closing Occurs
- ✓ The title of the home will be transferred to you



The background of the slide features a blurred medical setting with a stethoscope and a syringe. A semi-transparent blue banner is overlaid across the center, containing the text "Some Data for your consideration". In the bottom right corner, there is a faint, semi-transparent line graph with a y-axis ranging from 10 to 70 and a fluctuating line.

Some Data for your consideration

# Historical Interest Rates (50-yr. timeframe)

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# Historical Interest Rates (10-yr. timeframe)



Primary Mortgage Market Survey<sup>®</sup>

U.S. weekly average mortgage rates as of 02/27/2020

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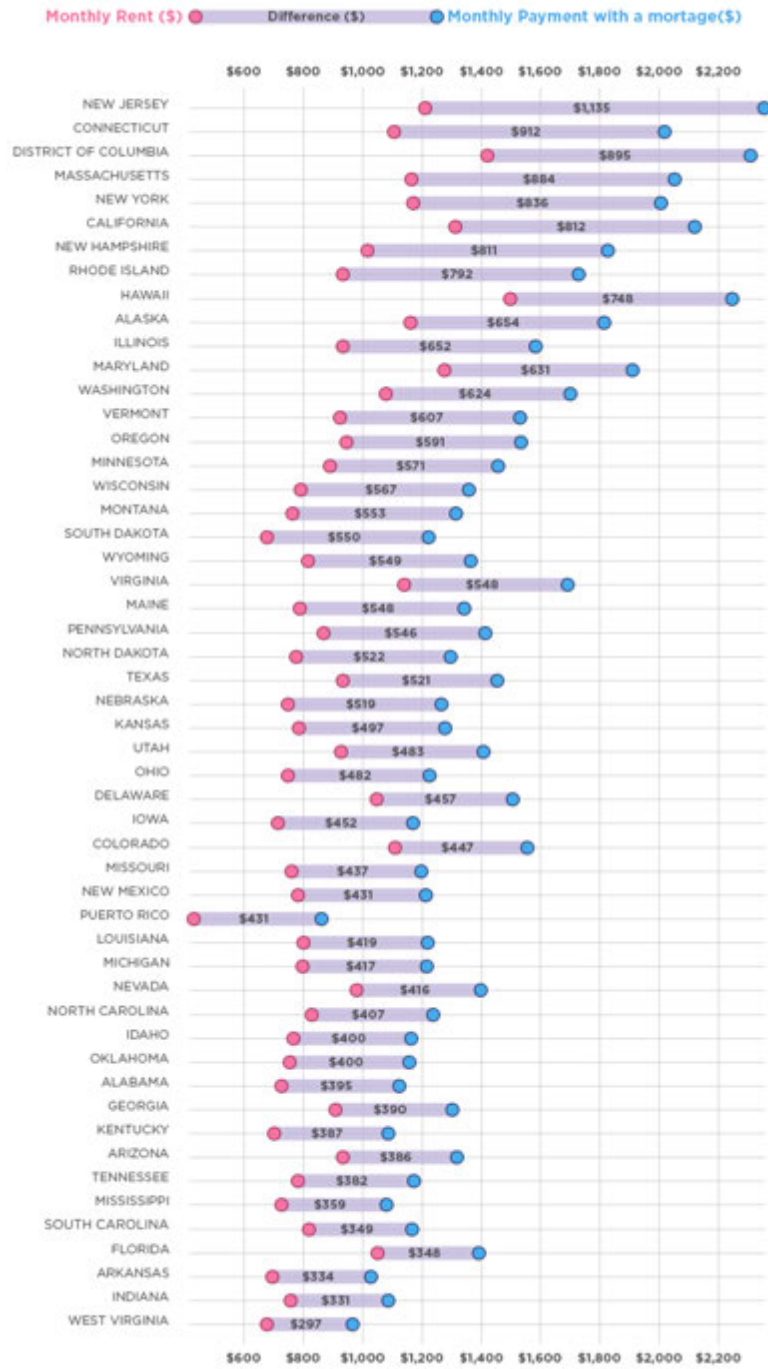
BUY  
OR  
RENT



### Sample Rent Versus Buy Chart

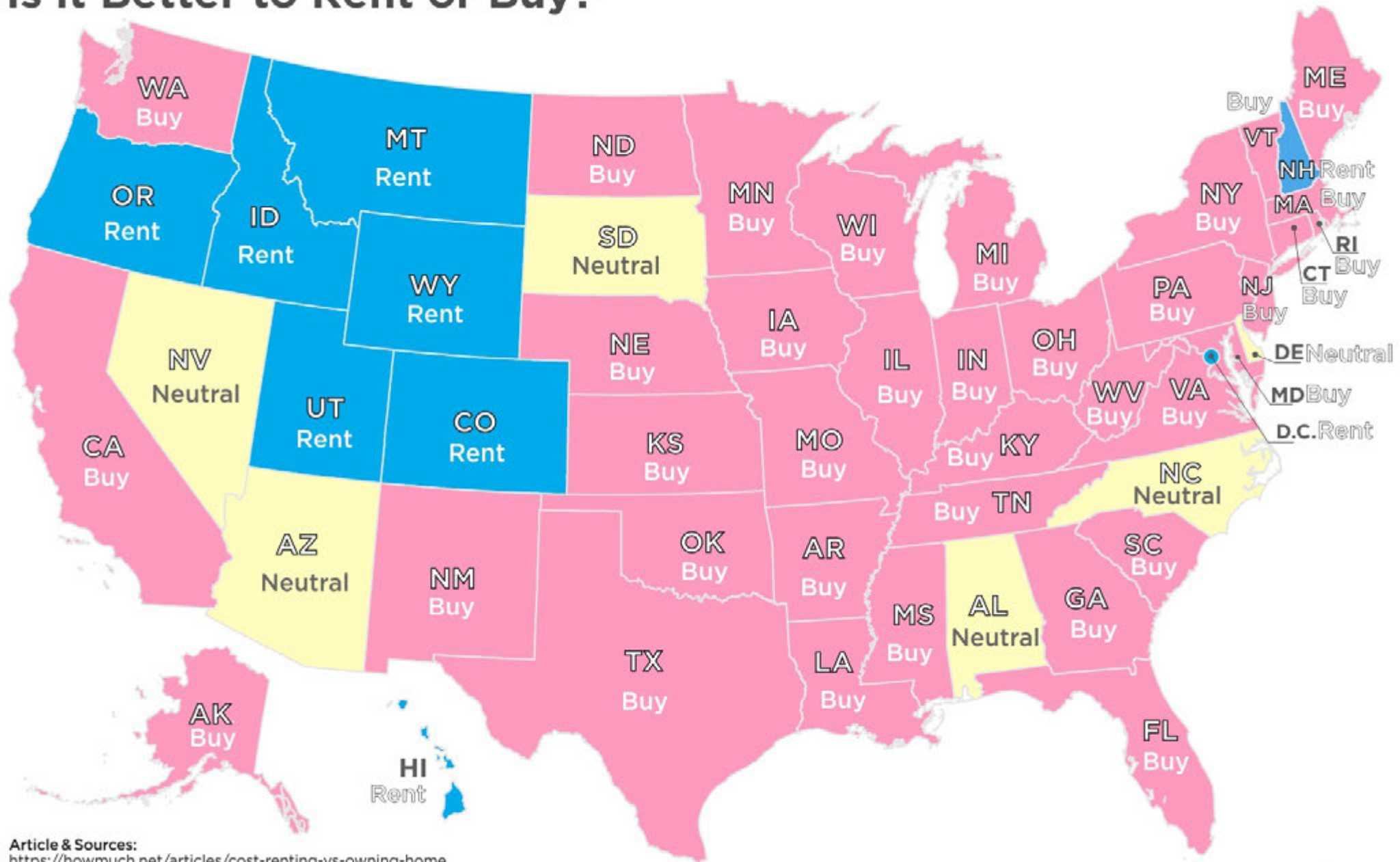
Rent \$1700 per month	Buyer Related Expenses	Buying Purchase Price - \$200,000	Sell Home loses 10% of Value	Sell Home loses 5% of Value	Sell Home Price unchanged	Sell Home gains 10% in Value
Initial 5% deposit		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Closing Costs		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Amount Financed		\$190,000	\$190,000	\$190,000	\$190,000	\$190,000
*Monthly Payment including Principal, Interest, Taxes and Insurance. Rate calculated at 4.375%		\$1,249.00	\$1,249.00	\$1,249.00	\$1,249.00	\$1,249.00
		48 payments {4 years} = \$59,952	48 payments {4 years} = \$59,952	48 payments {4 years} = \$59,952	48 payments {4 years} = \$59,952	48 payments {4 years} = \$59,952
Sales Price when sold 6% sales commission			\$180,000	\$190,000	\$200,000	\$220,000
			\$10,800	\$11,400	\$12,000	\$13,200
Proceeds from Sale			\$169,200	\$178,600	\$188,000	\$206,800
Outstanding Loan Balance		\$176,600	\$176,600	\$176,600	\$176,600	\$176,600
Total Upfront Expenses		\$15,000 {Down Payment + Closing Costs}	\$15,000 {Down Payment + Closing Costs}	\$15,000 {Down Payment + Closing Costs}	\$15,000 {Down Payment + Closing Costs}	\$15,000 {Down Payment + Closing Costs}
\$81,600 total rent	Total Spent over 4 Years	\$74,952	\$82,352	\$72,952	\$63,552	\$44,752

### Buying vs. Renting a Home by State



# Cost of Renting vs. Owning a Home in Every State

## Is it Better to Rent or Buy?



Article & Sources:  
<https://howmuch.net/articles/cost-renting-vs-owning-home>  
Rent prices - Zillow's March 2018 data  
Monthly mortgage payments - Zillow data from April 2018

# Home Prices Up 5.73% Across The Country!

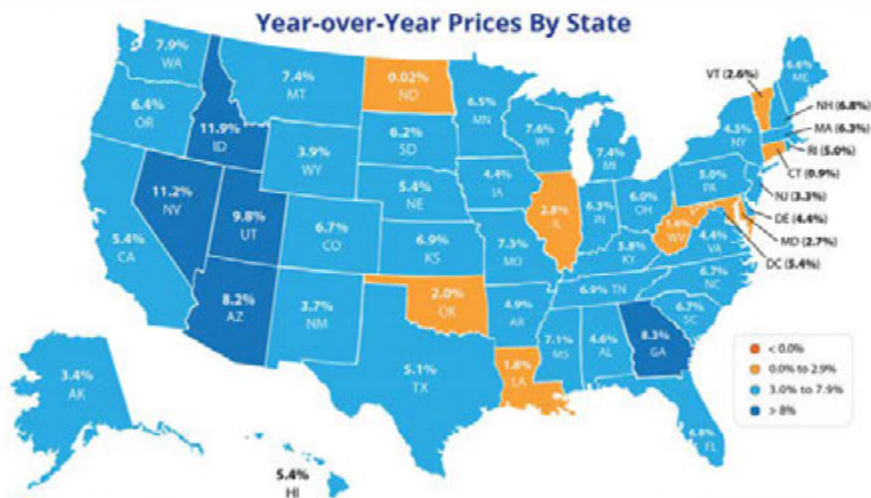


The Federal Housing Finance Agency (FHFA) recently released their latest *Quarterly Home Price Index*, in which they compare home prices regionally and by state.



Looking at the breakdown by state, you can see that each state is appreciating at a different rate. This is important to know if you are planning on relocating to a different area of the country.

*Waiting to move may end up costing you more!*



Source: FHFA Q4 HPI - 2/26/2019

# RENT VS OWN

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You build your **landlord's** wealth.



You build **your own** wealth.

Your monthly payment is likely to **increase**.



Your monthly payment is **locked in**.

You may be **limited** in what you can customize in your home.



You have the **freedom** to customize your living space.

You will likely pay **rent, fees, and a security deposit**.



You will likely owe a **down payment and closing costs**.

# Tools and Resources for you

Good Links to help you with financial decisions as you move into your career:

- <https://smartasset.com/mortgage/rent-vs-buy> (Rent vs. Buy Calculator to help you determine what your break-even point might be)
- [www.freddiemac.com/research/](http://www.freddiemac.com/research/) (Original research and analysis on housing trends, the economy and the mortgage)
- <https://smartasset.com/mortgage/budget-calculator> (Budgeting Calculator to help you create and determine your monthly and annual budget)
- <https://www.jacksonphysiciansearch.com/salary-calculator/> (See how your offers stack up to the statistics. Salary and compensation averages. Easy to plug and play)
- <https://bankmd.com/> (Open and Account, Apply for a Loan)



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Bank**N**

Bank**MD** | *rise*

*Something New is on the  
Horizon*

Bank**MD**

The logo for BankMD rise, featuring the text "BankMD" in a bold, blue font with a white heartbeat line through the "M", followed by "rise" in a smaller, blue, lowercase font. The background of the entire slide is a scenic landscape with a rocky cliff on the left, two hot air balloons (one red and white striped, one red) in the sky, and a sunset or sunrise over a mountain range.The BankMD logo, consisting of the text "BankMD" in a bold, blue font with a white heartbeat line through the "M".

Welcome to BankMD!

You are going places. Your money should too. Install the BankMD app on your phone today.

<https://apps.apple.com/us/app/bankmd-mobile/id1460364773>

## *Rise Checking Account*

- ✓ Open and account within minutes
- ✓ Mobile Functionality
- ✓ Slick Mobile Application
- ✓ All Fees Waived
- ✓ Automatic Overdraft Protection
- ✓ Manage your money
- ✓ Referral rewards

## *Rise Line of Credit*

- ✓ No credit check
- ✓ Instant Approval
- ✓ Access to funds immediately
- ✓ Interest only payments
- ✓ No Fees
- ✓ No pre-payment penalties
- ✓ Access to cash