

By RCB Bank Mortgage
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There's a lot of incorrect information that may persuade you not to pursue homebuying. Before you run in **FEAR**, talk to a lender about your concerns. We can help you know what is truth or myth. Let's start with these three fears.

SPOOKY MORTGAGE FEARS

TRUTH OR MYTH?

You must have a 20% down payment to get a mortgage. **MYTH**

There are many down payment options. For instance, if you are a veteran, or buying in a rural location, you could potentially get into your new home with little to no down payment.

Several first-time homebuyer loan options start with a 3% down payment, and Federal Housing Administration (FHA) offers financing options starting with a 3.5% down payment.

With all of these down payment options, homeownership may be more **BOO**lievable than you think.

Pre-qualified is the same as being pre-approved. **MYTH**

Pre-qualification is based on unverified information. It is an initial look at your application to make sure there are no major red flags that may prevent you from getting a mortgage. For example, a pre-qualification may use an estimate of your credit score and compare your income with your debts to see if you can support a mortgage payment. The pre-qualification process is quicker and based on information you provide to your lender. A pre-approval is a more extensive process where the lender uses verified information (e.g., your credit report and pay stubs) to determine which mortgage you actually qualify for. Without a pre-qualification or pre-approval, home shopping may become a **FRIGHTFULLY BATTY** experience.

Shopping around for lenders hurts your credit. **MYTH**

Multiple inquiries can hurt your credit, but FICO allows for rate shopping by grouping all similar inquiries made within a 30-day timeframe as one hard-hit. This allows you to shop around as long as it is within 30 calendar days.

When shopping lenders, be sure to ask what fees they charge, what the interest rate and annual percentage rate (APR) are, and if you aren't putting 20% down, what is the cost for private mortgage insurance (PMI).

Don't get **SPOOKED** by your mortgage fears. Talk to a lender and get the truth. We want to help you have a **FANC**tastic homebuying experience.

HAPPY HALLOWEEN!



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