

September 2015

The Best Mortgage Loans for First-Time Homebuyers



After years of renting, you've decided it's time for your first house – congratulations on taking the first step! You've probably begun to search for a home, and are working with a real estate professional to find the right one. Once you've found your dream home, it's time to get the loan process started, and before you know it you'll be in the office of a lender filling out papers and talking numbers.

Now comes the part where you will likely have numerous choices on which loan program works for you. How do you decide which program fits your needs as a first-time homebuyer? Here are the four most popular mortgage loan choices:

Conventional Mortgage – A conventional mortgage loan, sometimes called a “traditional” mortgage, is not guaranteed or insured by any government agency. Conventional loans require a down payment, typically 3% or more. These home loans are often insured by private mortgage insurance if the down payment is less than 20% of the value of the property being financed. However, PMI (private mortgage insurance) can “drop off” when the loan balance is scheduled to reach 78% of the original value of the home. So PMI won't have to be with the borrower forever with a conventional loan.

FHA Insured Mortgage – An FHA mortgage is a very popular first-time home buyer loan option. This loan is insured by the Federal Government. Credit score and credit requirements are generally more lenient than they are for a conventional loan. An FHA loan only requires a 3.5% down payment. However, FHA loans also require mortgage insurance, which will never drop off unless you refinance out of an FHA loan.

USDA Guaranteed Mortgage Loan – The US Department of Agriculture has designated all of Franklin and Fulton

counties, and most of Washington County as eligible for their no money down, 100% financing. USDA guaranteed mortgage loans generally have more lenient credit standards and a very competitive interest rate. There are restrictions on this loan, call us to see if you can qualify for this increasingly popular program.

VA Guaranteed Mortgage - In 1944, the U.S. government created a military loan guaranty program initially to help returning service members purchase homes. Since then, the program has helped more than 20 million veterans and their families with an affordable home financing situation. The VA Loan has distinct advantages over traditional mortgages, such as requiring no down payment, competitive interest rates, and no mortgage insurance. However, you must meet eligibility requirements to qualify. If you are active military or veteran, a VA home loan may be the right solution for your first-time home buying needs. Patriot Federal Credit Union will begin offering VA mortgage loans in mid-September 2015.

“It's a good time for a mortgage,” commented Mike Stouffer, mortgage services manager at Patriot. “Whether you are a first-time homebuyer, looking to move into another home, or refinance your existing mortgage, current interest rates are attractive. Interest rates for almost all of our mortgage products are 4% or below!”

30 year Fixed Mortgage Rates	Rate	Points	Payment	APR	Max LTV
Conventional	4.000%	0	\$ 477.42	4.096%	97.0%
VA	3.500%	0	\$ 458.03	3.587%	100.0%
FHA	3.500%	0	\$ 527.73	4.581%	96.5%
USDA	3.500%	0	\$ 503.41	4.247%	100.0%

Loan rates are based on a \$100k loan amount with superior credit and a 75% LTV or less. All other mortgage loans are based on max LTV. Mortgage rates are adjusted each business day and are subject to change throughout the day without notice. Rates as of 8/28/2015. Your interest rate IS NOT locked in without a completed application and speaking to one of our mortgage loan officers. Your rates and points may differ from what is listed and depends on the individual credit score, purpose of the loan and loan-to-value. Payment does not include escrow for taxes, insurance and mortgage insurance which may be required. VA, FHA and USDA include guarantee/insurance costs. Normal closing costs apply. All loans subject to credit approval.

Check out Patriot's current mortgage rates at https://www.patriotfcu.org/current_mortgage_rates.php

There are a variety of home loan choices to consider when purchasing your first home. To get started, speak with a mortgage specialist at Patriot about all of your potential options. We'll help you find a loan program that fits your particular situation the best.

Did You Know?

According to a recent study, more than one third of all Americans have **never** checked their credit reports. If you haven't checked your credit report, what are you waiting for? You can get one FREE every year at www.annualcreditreport.com or by calling 877-322-8228.



Patriot Breaks Ground for New Branch



Work has begun for the preparation and construction of the credit union's new Lincoln Way East Branch at 1536 Lincoln Way East, Chambersburg in Guilford Township.

"Today commemorates not only the official ground breaking of a new state-of-the-art branch location, it also embodies the spirit and vision of Patriot, growing for the future, for our members and our community," said Peggy Bosma-LaMascus, Patriot's president and CEO, speaking at the ground-breaking ceremony.

The one-story, 2,856-square-foot building will have six offices and serve members with a combination of "high tech" and "high touch" service, using staff and four video teller machines, two of them inside the building and two outside.

A variety of financial services to be offered at the branch include opening new accounts, loans, teller transactions, mortgage loans and Patriot Financial Services/Wealth Management services. There will also be two drive-up lanes, and the new facility will include a "café" where members can help themselves to complimentary refreshments.

"As Franklin County's first community credit union, we are proud of our past," Bosma-LaMascus said. "This new branch facility reflects our vision of providing top-notch financial services to residents and their families who work, worship or do business in Franklin County."

When the branch opens in 2016, it will be the ninth branch office location.

Videos of the July 29th ground-breaking along with construction updates are available on Patriot's YouTube channel -

https://www.youtube.com/watch?v=FJ6d_KFx5zl

Upcoming PFS Seminars

Patriot Financial Services is hosting the following seminars:

Social Security

Wednesday, September 9 at 5:00 PM
1330 S. Seventh Street, Corporate Training Room,
Chambersburg

A RETIREMENT SOLUTION: Where do we go from here?

Thursday, September 10 at 6:00 PM
Greenvillage Drive-In Family Restaurant,
5440 Philadelphia Avenue, Chambersburg
Seating is limited!

Register online at patriotfcu.org/seminars.php



Available through CFS*

* Non-deposit investment products and services are offered through CUSO Financial Services, L.P. (CFS), a registered broker/dealer (Member, [FINRA/SIPC](#)) and SEC Registered Investment Advisor. Products offered through CFS: **are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. Patriot Federal Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

Stale Dated Checks

Food, groceries, and other perishables have "best if used by" dates stamped on the packaging. Although it isn't specifically stamped on a check, did you know that checks have a similar expiration date?

In accordance with UCC rules, a bank or financial institution is not obliged to pay a check that is more than 6 months old. Checks older than 6 months after the date written on it are considered 'stale dated' and the institution on which the check is drawn is not obligated to pay it.

