



expanding Horizons

Pre-Approval vs. Pre-Qualification: How to Navigate the Home Buying Process

Buying your first home is an extremely exciting time! With everything there is to navigate, however, it can also seem overwhelming. If you've started to look into mortgages and how to afford your first home, you may have heard the terms "pre-approval" and "pre-qualification" thrown around – maybe even interchangeably. So do you need a pre-approval, a pre-qualification, or both?

What is a mortgage pre-qualification?

Pre-qualifications are easy. You give all the information to the lender yourself. No pulling account statements, no credit check – just your own word. Since nothing you are saying is actually being verified, this is just an idea of what you can afford. The amount that you are pre-qualified for is just an estimate, not an exact loan amount. If you give incorrect or dishonest information, a pre-qualification really means nothing.

Even with all of that being said, pre-qualifications still serve two benefits. First, to some sellers in some areas, a pre-qualification can help you during the buying process because it makes you look more serious about buying. Second, it gives you a good idea of what you will be able to afford without actually having to apply. You should always get a pre-qualification before you start looking at homes.

What is a mortgage pre-approval?

A pre-approval is much more in-depth than a pre-qualification and is not simply based off of your word. In order to be pre-approved for a mortgage, you must actually submit a mortgage application. It requires W-2's, tax returns, your credit report, ID, SSN, etc. Because everything is being verified in this case, pre-approvals hold a lot more weight than a pre-qualification.

When you receive a pre-approval, it will be for an exact loan amount and sometimes even includes an interest rate. Pre-approvals make you look very serious to a seller and are sometimes the deciding factor when it is between you and a buyer who only has a pre-qualification. Having a pre-approval is the closest you can get to being a cash buyer without actually being one.

Which should you get?

A pre-approval or a pre-qualification?

Most sellers require either a pre-approval or a pre-qualification. The first thing you should do when deciding which one you need is to see what the seller wants. If they don't require either, it is still within your best interest to get one to help your chances – especially in a competitive market.

Pre-qualifications are usually seen as the first step in the home buying process when you're just putting your feelers out and finding out what direction you should go in. If you're really serious about purchasing a home, a pre-approval will be the most beneficial to you. Pre-approvals make you look like a strong buyer, give you an exact idea of what you can purchase, and also get you part way through the mortgage process ahead of time. You can always start with a pre-qualification and move forward with a pre-approval when you're ready.

Helpful Tip

If you're in the market to buy a new home, Patriot is here to help. Our friendly and experienced mortgage consultants will help you decide what the next best step is for you – a pre-approval or a pre-qualification – and will be by your side during every step after that. Call us at **717-709-2580** or visit one of our branches to learn more!

A message from the President

It's hard to believe we're already in July. While summer's a time filled with family vacations, relaxation and other activities; at Patriot we remain focused on ways to continue improving our products and services.



Recently Patriot was surprised to learn neighbors in Franklin County voted us the "Best Bank/Credit Union" in the annual Reader's Choice Awards conducted by the Public Opinion newspaper. In addition to this honor, radio listeners of "WAYZ" and "101.5 Bob Rocks" rated us "Best in the Tri-State" financial services category.

Speaking for Patriot's employees and management, we are humbled by the accolades our members and the community at large extended to Patriot! Yet I assure you, these honors weren't our focus. We neither sought these awards, nor attempted to have others vote for Patriot. Your Credit Union remains focused on three traits: 1) Patriot is convenient; 2) Patriot offers the products and services that meet your needs; and 3) Patriot Cares! Every decision made is driven by these three brand messages.

With this in mind, please allow me to recap several of our 2019 initiatives concerning credit and debit cards. We began by offering instant issuance for both credit and debit cards. Based upon member feedback, it's been a big success. Members can now get a lost or damaged card replaced the same day. Additionally, new members can open an account and walk out with their new card at many of our branch offices.

Members who are users of Patriot's Mobile Banking can now access card controls to turn their card(s) on or off. For added security, convenience and peace of mind . . . you can also limit use during scheduled travel periods by country or state. And later this summer these same features will be available through our eBranch.

Finally, I want all members to know we continue to listen to your concerns. Your feedback is invaluable. We acknowledge many members have been upset with our currency selections at our ATMs and ITMs (Interactive Teller Machines). So later this year, we'll begin replacing our aging fleet of ATMs with newer models offering greater functionality. Beginning this month and continuing through next summer you'll find new machines offering members the ability to select cash denominations to include \$5, \$10, and \$20 dollar bills. Watch our web site for the schedule of new machine installations.

In conclusion, I'd like to thank all of our members for the opportunity to serve your financial needs as well as those of your family, friends, and local organizations and businesses. Additionally I want to thank all who place their faith and confidence (as well as your hard earned dollars) with Patriot. We remain committed to earning your trust every day by doing what's right with a servant heart.

Sincerely,



Brad R. Warner, President & CEO
Patriot Federal Credit Union



Credit union members get cash with no strings attached.

Your rewards are here. Members get a \$100 cash reward for every new line activated with Sprint®, now on unlimited lines. No strings attached — just cash.

Here's how to get cash rewards for every new line you activate with Sprint:

1. Add a line to your new or existing Sprint account and mention that you're a credit union member.
2. Register at LoveMyCreditUnion.org/Melvin
3. Cash rewards will be deposited directly into your credit union account within six to eight weeks.

Already a Sprint customer?

Register now to receive a \$100 loyalty cash reward every year starting one year after registration.

Get cash rewards!

Visit LoveMyCreditUnion.org/Melvin to learn more.



Business Debit Cards – Now Available!

Business debit cards are now available with any of our three tiered business checking accounts and our non-profit business checking account. Any business type – sole proprietorships, partnerships, limited liability companies, and corporations – are eligible for a business debit card and these benefits and security features:

- Get Cash Anywhere – Accepted at any ATM worldwide with the STAR and Plus logo
- Make Purchase Anywhere, Anytime – Purchasing power worldwide at traditional or online merchants that display the VISA logo
- 24/7 Access – Review your account information and purchases online 24/7 with our eBranch online banking or Patriot mobile banking app
- Mobile Card Controls – Activate, disable, and enable your card, set up travel notifications, order a replacement card, and mark your card as lost or stolen, all from your smartphone, wherever you are.
- Chip-Enabled Technology – Patriot debit cards are embedded with microchips to give you an extra layer of security beyond regular debit cards
- Fraud Monitoring – Patriot proactively monitors your account to bring suspicious purchase activity to your attention

Our new business debit cards give you more options so you can do your business banking in the same place you do your personal banking. No hoops to jump through, just a credit union that cares about local businesses in your community.

Express Signature Loans

Get a little spending help.



Our Express Signature Loan* is a quick and easy way to get a \$1,000 loan for 12 months. And there's no credit check required!

Call 888-777-9982

**Apply online at patriotfcu.org
or stop by a branch**

**To qualify for an Express Signature Loan, you must be a member in good standing for at least one year and be eligible for Overdraft Protection. Applicant must also have a recurring direct deposit, no less frequency than monthly for \$500 or more and have a checking account for at least 3 months. There will be a \$25 application fee payable at the time of loan disbursement. The fee cannot be added on to the \$1000 loan. Interest rate 12.50%. Monthly payment on a \$1000 loan for a period of 12 months is \$89.10 with a 17.33% APR. Loan subject to approval. THIS CREDIT UNION IS FEDERALLY INSURED BY THE NATIONAL CREDIT UNION ADMINISTRATION. Equal Opportunity Lender.*

HOME IMPROVEMENT PLANS?
MAKE IT HAPPEN.

HOME EQUITY LOAN

AS LOW AS

3.99% APR*
FOR 10 YEARS

NO CLOSING COSTS*

*Annual Percentage Rate as of June 4, 2019 for a fixed rate Home Equity Loan at a 70% Loan-To-Value (LTV) Ratio for 120-month term. For example, the monthly payment would be \$101.22 per \$10,000 borrowed and does not include taxes and insurance premiums. Your actual payment may vary based on the loan amount, term, APR, credit worthiness, tax and insurance, and other factors. Other rates and terms are available. Rates and loan approval subject to individual credit worthiness. The minimum loan amount is \$7,500 and the maximum amount is \$250,000. Property must be the borrowers primary residence. Property insurance is required. Borrower is responsible for Maryland recording tax – amounts may vary by county and amount borrowed. Rates subject to change without notice. Other restrictions apply. Patriot will pay for closing costs. If loan is paid off within 3 years, borrower is responsible for reimbursing Patriot for costs incurred. THIS CREDIT UNION IS FEDERALLY INSURED BY THE NATIONAL CREDIT UNION ADMINISTRATION. Equal Opportunity Lender.



ATM Upgrades:

In an effort to provide a seamless member experience, we will be upgrading our ATMs this summer. This may result in temporary outages to specific ATMs. Stay tuned for updates. We thank you for your cooperation during this time.

Summer Special Certificate



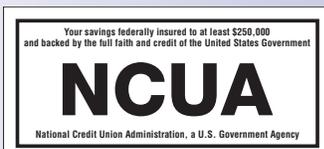
Sizzling
SUMMER RATES

2.25% APY*

15-Month Certificate

Minimum Opening Balance \$10,000

* Annual Percentage Yield (APY) of 2.25% on 15 Month Certificate for the \$10,000 – 24,999 tier. Higher rates for higher tiers. Minimum opening balance of \$10,000 is required to open this certificate and to earning the special APY. No brokered deposits or public funds accepted. Rates effective from 6/4/19 and are subject to change without notice. The APY assumes that all interest remains on deposit until maturity. Withdrawals and fees could reduce earnings. Substantial penalty for early withdrawal. At maturity the certificate will automatically renew for a term of 12 months at the prevailing rate.



Save Hundreds on Auto Insurance

As a valued Patriot member you'll enjoy exclusive savings on auto insurance made available by our partner TruStage® (underwritten by Liberty Mutual). Plus, you may qualify for various discounts such as – multiple vehicles, Anti-lock brakes and more!

Schedule an appointment with our Liberty Mutual representative to learn more about discounts and to receive a personalized quote.

Shana Mickle
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*Auto Insurance Program is made available through TruStage Insurance Agency, LLC and issued by leading insurance companies. To the extent permitted by law, applicants are individually underwritten; not all applicants may qualify. Discounts are not available in all states and discounts vary by state. A consumer report from a consumer reporting agency and/or motor vehicle report will be obtained on all drivers listed on your policy where state laws and regulations allow. Please consult your policy for specific coverages and limitations. The insurance offered is not a deposit, and is not federally insured, sold or guaranteed by your credit union. Your credit union enables this insurance program to be offered and is entitled to compensation from TruStage.

IN THE COMMUNITY



In early June, our Patriot Cares team walked to raise money for the American Cancer Society in the Relay for Life at Norlo Park in Chambersburg. The team raised over \$4000 through donations from walk sponsors and a Smith's BBQ chicken sale.



Next week look for Patriot volunteers at Scoop-a-Palooza, an all-you-can-eat ice cream festival benefitting the Greater Chambersburg Chamber of Commerce Foundation, on Saturday, July 13 at Chambersburg High School.

"Follow" us on Twitter, Facebook, Instagram, or YouTube for a chance to win a pair of free tickets to Scoop-A-Palooza.