

May 2019

## Home Buying Tips



- 1. Start saving for a down payment early** - While there are financing options that require little or no down payment, having a larger down payment can help lessen or even eliminate some monthly costs – like private mortgage insurance. Use a down payment calculator to help you come up with a goal amount.
- 2. Know what types of mortgage options are out there** – there are lots of mortgage financing options available, especially if you are a first-time home buyer. These options include:
  - a. Conventional Mortgage** – a fixed rate home loan with terms ranging from 10-30 years and allows you to remove private mortgage insurance after you reach 80% loan to value.
  - b. Adjustable Rate Mortgage (ARM)** – a mortgage that starts with a fixed rate for a set number of years but then adjusts to a variable rate for the remainder of the loan.
  - c. Federal Housing Administration (FHA) Insured Mortgages** – Popular for first time home buyers, credit requirements are generally more lenient than a conventional loan.
  - d. United States Department of Agriculture (USDA) Guaranteed Mortgage Loan** – No money down, 100% financing loan, generally with more lenient credit requirements and a competitive interest rate.
  - e. Veterans' Administration (VA) Guaranteed Mortgage** – Requires no down payment and offers competitive interest rates to help returning service members purchase homes.
- 3. Determine what you can afford** – Make sure you know what price range will give you a payment you're comfortable with before you start looking for your dream home. Use a mortgage affordability calculator to determine how much you can spend comfortably.
- 4. Check your credit and pause new activity** – One of the biggest factors in determining your eligibility and interest rate on a mortgage loan is your credit score. Focus on paying down debt, making payments on time, and avoid opening any new credit accounts.
- 5. Hire a Buyer's Agent** – Did you know that buyer's agents are free to you? The seller negotiates the commission that the agents receive before the house is listed. If you don't hire a buyer's agent, the entire commission goes to the selling agent, which is great for them, but leaves your interests unprotected. A buyer's agent will help you navigate the home buying process and can advocate for your interests during the transaction.
- 6. Get Pre-Qualified** – Getting pre-qualified before you start looking at houses is a great place to start. This helps determine what purchase price will leave you with an affordable payment and shows a seller that you're serious and qualify for the loan to purchase the home.
- 7. Research the area** – Be sure you research nearby schools - even if you don't have children school districts can affect home values. Take a drive through the neighborhood at different times of day to observe what the traffic and noise levels are like. Review local crime and safety statistics and determine how close you are to emergency responders, hospitals, pharmacies, and other points of interest.
- 8. Remember to budget for closing costs** – Closing costs are generally about 2%-5% of your loan amount, so you will need to budget for these too. You can also ask the seller to cover some of these costs, but just like a down payment, saving ahead of time puts you in a better position during negotiations.

### Helpful Tip

If you're in the market to buy a home, call **717-709-2580** or stop into Patriot Federal Credit Union to chat with one of our experienced and friendly mortgage consultants. Getting Pre-qualified is one of the first steps to buying a home and we are here to help you every step of the way!

## Washington Township Parks and Rec Donation



Patriot CEO, Brad Warner, and Corporate Affairs Officer, John Kilduff, presented the Washington Township Parks and Recreation Committee with a \$25,000 check on March 29, 2019 at the township office. These funds will be used to construct new restrooms at the Pine Hill Recreational Area in Washington Township, PA.

## 5 Debit and Credit Card Safety Tips

1. Only shop on websites that have “https” - sites with only “http” are not secured
2. Don’t do financial transactions on public Wi-Fi
3. Check your accounts at least once a week
4. Use ATMs at banks and credit unions when possible – these usually have more protection and surveillance and are less likely to have been tampered with
5. If you didn’t initiate the phone call, don’t give out your card number

**Bonus tip:** At Patriot, you can now use card controls on your VISA debit or credit card. Card controls allow you to immediately disable your card from your smartphone in the event that it gets lost or stolen. This can help you avoid unauthorized transactions and unwanted hassle.



## Shred Day: Get rid of clutter and help protect your identity!

Join us at our Wayne Avenue branch on **June 1<sup>st</sup>** for our “Shred Day.” This is a great opportunity to securely dispose personal documents such as old bills, credit union statements, and other documents containing personal information to reduce clutter and help protect your identity.

Please limit the amount of paper you bring for shredding to four boxes. No plastic, binder clips, cardboard, or 3-ring binders please.

**When:** Saturday, **June 1<sup>st</sup>, 8:00am - 11:00am**  
(please note end time change)

**Where:** Wayne Avenue Branch – 800 Wayne Ave, Chambersburg  
We’ll also be collecting food items to help stock local food pantries. Please bring canned and boxed food items to donate to those less fortunate.

