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# AAFMAA Mortgage Services

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## AAFMAA Mortgage Services:

- Where: NC and FL
- Who: 100% owned subsidiary of AAFMAA
- What: Nearly all types of loans for the military (VA, FHA, USDA, Fannie/Freddie)
- When: Working on other states
- How: [aafmaa.com/mortgage](http://aafmaa.com/mortgage) (online application, intel center, phone numbers & contacts, blog)





## RUCKS: Five Risk Mitigation Strategies when purchasing a home



- When purchasing a home there are five strategies that ensure you are protected and get the best deal possible.
- These are RUCKS:
  - R: READ (GOOGLE) EVERYTHING
  - U: UNDERSTAND EVERYTHING YOU SIGN
  - C: CHECK THE PROFESSIONALS YOU HIRE
  - K: KNOW RELATIONSHIPS and RESPONSIBILITIES
  - S: SECURITY (FINANCIAL SECURITY) IS YOUR RESPONSIBILITY
- After the real estate crash of 2008 additional protections were put in place, but many risks still exist when purchasing a home. In fact, the due diligence and earnest monies are explicitly a new home buyer risk. We believe these strategies help reduce risk to your financial future.





# Read Everything



1. Read everything you get. Informed and prepared are your keys to success.
2. There are important pieces of information hidden in various documents:
  - A. Purchase and sales contract: Details dates for various actions, responsibilities, what happens to money provided up front, and deadlines for important items such as due diligence.
  - B. Loan Estimate: Allows for all costs to be summarized.
  - C. Lock Letter: Allows customer to see that their rate has been locked and for how long (by property).
3. You will be provided disclosures early on in the process from a licensed loan officer. Read these and understand what your responsibilities are in the loan process.
4. You will get a closing document at least three days before closing that will outline all of your costs for the purchase.
5. Different loans have different :
  - A. Interest Rate;
  - B. Pre-payment penalties;
  - C. Closing Costs;
  - D. Lock periods.





# Understand Everything



**This is very important because this is YOUR money.**

1. Understand the true costs (inspection, appraisal, due diligence, earnest money) and realize that the first signed contract allows one to continue to negotiate on price.
2. The documents, that you are provided, will outline what services can be shopped and what services have set prices. If the services can be shopped ensure that you are not paying extra costs because of relationships. It important to note that these relationships are the most likely places for being charged more than the market norm, and both state and federal regulators do bring charges up for these activities. The amount of money made by these activities outweighs the penalties.
3. Ask your loan officer to review anything you do not understand.





# Check Who you Hire



1. Hire licensed individuals and companies – do not assume they are licensed and regulated by the State (nearly all bank mortgage companies are not regulated by the State you live in). This will help protect you and your family.
  
2. Look up the company and the loan officer on : [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)
  - A. **Large Mortgage Company (4/10/15) \$2 Million Fine :**  
<http://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-newday-financial-for-deceptive-mortgage-advertising-and-kickbacks/>
  
  - B. **Veterans overcharged by Top Three Bank (4/9/16) (\$1,200,000,000 fine):**  
<http://www.housingwire.com/articles/11746-wells-fargo-veterans-settle-lawsuit-over-mortgage-loans>





# Check Who you Hire



***When the process starts (before the contract is signed) and you get disclosures and names:***

1. Check on the “relationship” between the various professionals you hire because these relationships could include kick-backs that are likely illegal according to State laws, and may cost you more money.
2. Make sure the appraisal is blind and is not selected by the realtor.
3. Check on services that you are “referred to” by the realtor and research others that provide the same service.
4. Google search the Attorney, Appraiser, Loan Officer, Realtor, and Inspector. Look for issues.
5. Ensure the square footage is correct and work done on the property had the proper permits.



# Know Relationships and Responsibilities



1. Your responsibilities to protect your financial well-being.
  - A. Do not rush- Most players in the home purchase game only get paid when a transaction is complete and therefore may not operate in your best interest.
  - B. Make sure you have enough time to close, at least 45 days in some markets.
  - C. Make sure you have enough time to complete your due diligence and earnest money on the property (you decide these dates).
  - D. If in doubt you have the right to have an inspection BEFORE signing the contract.
  
2. The Realtor's fiduciary responsibility effectively ends when you sign the purchase and sales contract. Therefore:
  - A. You need to know you can still negotiate a lower price for the property
  - B. The Realtor may not act in your best interest
  - C. Know what relationships various players may have with each other (some may not be in your best interest).







# Security – Your Financial Security is Your Responsibility



1. Remember that a home is a major purchase and the one that is looking out for your best interest is YOU.
2. Make sure all your personal information is well protected and that your information will not fall into the wrong hands.
3. Review and Ensure things like:
  - A. The square footage is correct and is the same on all tax documents, tax records, and appraisals.
  - B. Ensure all improvements done on the property had the proper permits and that the inspection authority has done the proper inspections.
  - C. Ensure all names used past and present are stipulated in the Name Affidavit (aliases, etc.).
4. A home purchase done well will save you money and will improve your financial situation.



# Conclusions



- The five home buying risk mitigation strategies will help protect the financial well-being of your family (RUCKS).
  - Read everything
  - Understand Everything
  - Check who you hire
  - Know the responsibilities and relationship
  - Security for your financial future
  
- If you follow the above strategies and give yourself enough time to do what you need to do for a proper closing you will be protecting your financial future.
  
- AAFMAA Mortgage works with you to ensure that we provide you the best solution for your home financing needs.





# Questions?



Call us anytime with questions.



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