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AAFMAA Mortgage Services LLC

MORTGAGES MADE FOR THE MILITARY
WEBINAR SERIES

5 Smart Questions to Ask Your Mortgage Lender

Selecting the right mortgage lender is a crucial step in the home-buying process – one that may save you money and help you each step of the way. To learn more, please join us for a complimentary webinar with **Amanda Albertson Lucas, Military Mortgage Advisor** with AAFMAA Mortgage Services LLC (AMS).

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AAFMAA Mortgage Services LLC (AMS) Mission

Our Mission: to be the premier provider of Mortgage Services to the American Armed Forces community.



BUILD, BUY, OR REFI. MORTGAGES MADE FOR THE MILITARY.



Commitment to Serve

At AMS, our commitment is to make sure you, as a part of the military community, are well-informed and taken care of through every step of the lending process.

Plus, being part of the longest-standing, not-for-profit member-owned association enables us to offer low-rate and low-cost mortgages to servicemembers and Veterans.





Agenda

5 Smart Questions to Ask Your Mortgage Lender:

1. Mortgage Lending Experience
2. Loan Terms
3. Loan Fees
4. Loan Process
5. Communication Preferences

Disclaimer: This presentation is for information purposes only and is not an offer or commitment to lend. All loans subject to credit approval. Equal Housing Lender. NMLS #1423968. AMS is licensed in 24 states – see complete list and disclosures at www.aafmaa.com/mortgage. 844-422-3622. 639 Executive Place, 3rd Floor, Fayetteville, NC 28305.



Question #1: How long have you been in business and what is your experience?

- Find a lender who has been in business for 4 years.
- Check with the Better Business Bureau and state accreditation agencies for complaints and license verification.
 - <https://www.nmlsconsumeraccess.org/>
- Make sure the lender has experience with YOUR loan type (VA Loan, FHA, Conventional)



Question #2: What are the loan terms?

- Interest rate
- Annual Percentage Rate (APR)
- Private Mortgage Insurance (PMI)
- Type of loan
- Loan term





Question #2: What are the loan terms? (continued)



Interest Rate

- Follow the yields on the 10- or 30- year Treasury Notes
 - The yields respond to market demands
- “Lock-In” your rate
 - Rates can be locked in for - 15 / 30 / 45 / 60 / 90 days



Question #2: What are the loan terms? (continued)

Annual Percentage Rate (APR)

- The cost for the loan as a percentage that you pay each year
- Includes the interest rate and any lender fees financed

Adjustable Rate Mortgage (ARM)

- How often could the rate change?
- What is the maximum amount it could change?
- What is the highest possible rate (rate cap)?
- What is the benchmark interest rate (index)?
- Is there additional interest (margin)?



Question #2: What are the loan terms? (continued)

30-year Loan

- Typically higher interest rate than shorter term loans
- Lower P & I monthly payment

15 or 20-year Loan

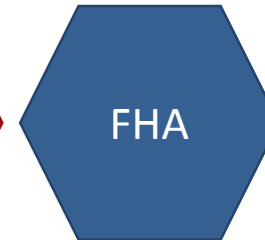
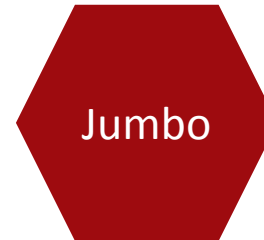
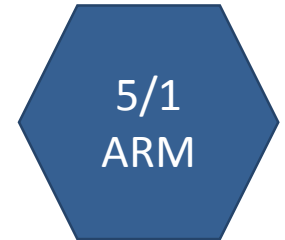
- Typically have lower interest rate
- Pay less interest over the life of the loan
- Often higher P & I monthly payment



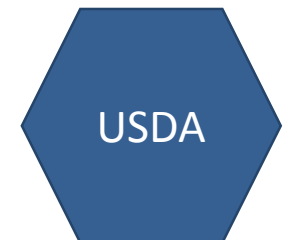
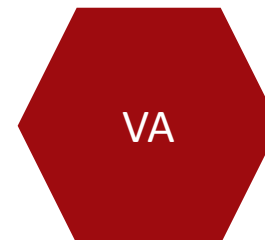
Question #2: What are the loan terms? (continued)

Loan Type

- Conventional
- FHA
- VA Loan



An experienced Military Mortgage Advisor can let you know for sure if a VA Home Loan is right for you.





Question #2: What are the loan terms? (continued)

Private Mortgage Insurance (PMI)

PMI is insurance you buy to protect the lender from the possibility that the borrower won't be able to pay back the loan when you put less than 20% down.

- Conventional Loan Example:
 - If you don't put 20% down, you'll pay PMI
- VA Loan Example:
 - No PMI, but there is a VA Funding Fee
 - VA Funding Fee is waived if the borrower qualifies as a Disabled Veteran. Check with your lender for full details.



Question #3: What fees will be included?

Cost of the Loan =

- Loan Term (15-year, 30-year, etc.)
- Credit Score
- Loan Type

Note: After a complete application is received, the lender must provide the Loan Estimate within 3 business days. The Closing Disclosure must be provided no less than 3 business days before closing.



Question #4: What is the loan process?

Loan process

- Application
- Disclosures
- Documentation
- Pre-approval vs. Pre-qualified
- Final approval (clear-to-close)
- Loan closing



Understand the timing and the steps required will help speed up the process and may help you decide who to work with



Question #5: How do you prefer to communicate?

Communication Type

- Phone
- Email
- Text Messages
- Secure Website



Please Note: Always be careful when sending confidential, non-public information or data to any lender. Be sure to check to see if they have a secure website or link to upload your documents safely.



Questions?

AAFMAA Mortgage Services LLC (AMS) is honored to provide transparent and fair comparisons of your mortgage options. We have professional, licensed Military Mortgage Advisors who understand the unique benefits and challenges of military life.



Questions?

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Disclaimer

DISCLAIMER:

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Thank You!



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