Speaker 1 (00:00):

The Accunet Mortgage and Realty show is sponsored by Accunet Mortgage and equal housing lender and [inaudible] and Accunet Realty advisors, which is a separate company from, but still affiliated with Accunet mortgage.

Speaker 2 (00:14):

Welcome to the Accunet Mortgage and Realty show getting you inside information on buying, selling, and financing your home with expert advice, but actually that mortgage and Realty. And now here's Brian and David Wickert. All right. Welcome to the,

Speaker 1 (00:30):

Yeah, I Accunet Mortgage and Realty show. I'm Brian Wickert, president and majority owner of unit mortgage and accident Realty advisors, along with my son, David, who is now seen your vice-president and chief client experience officer, and also our newest managing owner of the company having bought into the company this last week. Congratulations, David.

Speaker 3 (00:50):

Thank you, dad. Pleasure.

Speaker 1 (00:53):

And if you have a question or a comment, of course you can call or text us on the Accunet mortgage talk and text line (855) 616-1620. You can also grab a podcast of today's show wherever you get your podcasts. All right. So this is a continuing theme of how tough it is to compete with the dearth of listings, uh, especially for first-time buyers, uh, with limited down payments. And I had the opportunity to talk with two first time home buyers this last week. And my observation is there's a general under appreciation amongst first time buyers of how sellers evaluate offers. Would you agree? Disagree, David?

Speaker 3 (01:33):

Yes. Yeah. And I mean, it goes to your experience, you know, uh, I think maybe first time home buyers, what's the metaphor. They don't know that the stove is hot. They haven't put their hand on there yet to learn that lesson. Maybe they kind of,

Speaker 1 (01:48):

Uh, you know, intellectually, I think that the, that the inventory's down, cause most of them have been shopping online and see how fast things are going. But what, what was your analogy that you led into the show today?

Speaker 3 (01:57):

Yeah, yeah. That, um, for first time home buyers, unless they talk to an Accunet mortgage loan consultant put on the first time home buyer could be described as putting on a blindfold and walking across a six lane freeway because the, uh, there's a lot that can go wrong and just be an, a lot of times, first time home buyers make it to the other side of the six lane freeway and they take off their blindfold and they're like, honey, congratulations. We own a house, but that was, yeah, but they don't realize all the cars that swerved out of the way, the pothole that they didn't step in. It just feels cause they had a blindfold on that. Like we made it not realizing just the tonnage of things that can go wrong or sidetrack them or, you know, plow them over maybe. Well, all right, along

Speaker 1 (02:52):

That lines, one of the nice first time home buyer couples that I got the chance to talk to this week, uh, the, of the call was, Hey, we were looking to buy our first home. They happened to see a presentation that I did for their, um, company, uh, that was recorded. And they watched that. And then by the way, if you want me to give a presentation to your company, I can do that. Uh, they want to buy it in the 200 to $250,000 price range in either Wallatosa or Greendale. Alright. And they wanted to put 5% down. Well, I did a quick search of Dudley's Tosoh while we were on the phone and there are 19, uh, homes listed for sale on the MLS between 200 and $250,000. But guess what, David, all of them have offers, correct. So there are really no homes for sale, which just goes to show you how fast, you know, if it goes up, it's going right away. And what am I thinking when they say, you know what? We want to put 5% down and buying either TOSA or Greendale in the 200, two 50 price range. What is going through my mind

Speaker 3 (03:54):

That that coming in second place is as good as coming in 12th place because there's just not enough juice in down payment in the eyes of a seller probably cause they're probably getting wicked white hot offers in that price range.

Speaker 1 (04:11):

The seller is exactly right. I'm thinking, boy, it is going to be hard for you to get an accepted offer on those terms. Um, and that's because when sellers look at two competing offers, if one has 5% down and the other is 20 and they're both bidding 10 grand over the asking price for the house, the seller is going to go a 5%. Um, person doesn't have any wiggle room, right? If the, if the appraisal comes in low, whereas the 20% person does. And as I explained to this very smart, uh, a couple, um, this is all about instilling confidence in the seller. This whole process of getting your offer accepted is making that seller feel like I can actually complete this transaction. I have the financial wherewithal or my offer has enough, uh, wiggle room, like stretchy pants, uh, to accommodate something going wrong, you know, like maybe the appraisal coming in law.

Speaker 1 (05:04):

So these folks are a couple of professionals, uh, both earning about 10,000, uh, both turning about 60 grand. So let's call it $10,000 a month. And they're telling me they have $15,000 set aside for the down payment and closing costs. All right. So, um, well, you know, we're working the numbers and we're doing the drill. Like we always do toward the end of the conversation. I bring up the topic of, do you think, is there any grandparent or parent that might be able to give you a gift, even if it's not eventually really given, but just has the wherewithal to do it, that we could document and maybe you could give the money back if we don't really use it, correct. Go ahead.

Speaker 3 (05:43):

To increase your dump. No. To increase your down payment because you know, 5% only going to get you so far. So what other piles of money can we source point to create, right? Is that your

Speaker 1 (05:56):

Correct line? Exactly. So, so, and in this case, cause they don't know the people that I would actually have the relative make them the gift because I want to be able to count on it and right. Are rock solid preapproval based on that gifted buddy, think re-gift it back to the relative if they don't use it. So this is that idea of let's write the offer with 10% down or 15 or whatever we can muster. You can still finance it with five, but let's make it look as good as we can. Alright. When we come back, we'll continue with this story because there are two major surprises that occurred right after that you're listening to the Accunet mortgage and Realty show on am six 20 WTMJ

Speaker 4 (06:34):

Home buying advice from the guys who know it best. This is the Accunet mortgage and wheel to show with Brian Wicker on WTMJ

Speaker 1 (06:45):

We're talking about first time home buyers and how down payment matters and how, you know, we're really trying to counsel people to help them write offers in a way that they're going to get accepted. And so we've got a couple first time home buyers who are looking at 5% down, which is going to be difficult, uh, when competing against other offers with larger down payments. So our kind of our checklist is okay, you got a relative that can help you out. And by the way, and the other first time home buyer that I was talking to, I was really urging that. And I know the father has the wherewithal to do it. And in that case, the son was like, well, I'd really like to try to do this on my own too, which I honestly said without any malice as well, it might take losing a couple of times before you decide you want to get some help, but that's fine.

Speaker 1 (07:27):

We can, we can do that. So in this couple that's buying, um, I asked about the relatives with the gift. Nope. Not gonna happen. Okay. What about your retirement? You know, do you have a 401k that you can take a loan from or, um, an IRA? Uh, I don't really have much there. Well, but we do have like another $50,000 in the bank. We just don't want to use it for the downtown Sam. Okay. Okay. There's are all right. So explain to people, uh, you know, okay, so here's what we're gonna do. We're gonna write you a preapproval letter that says 20% down or at least 15% down. Cause that's going to look stronger and that's the one, that's the way you're going to write the offer. But at the same time, I'm going to let you know with a separate pre-approval letter, we can actually do it with 5% down, but we want to show, and we will have verified that you have the coin, you have the savings to actually make that 20% down payment.

Speaker 1 (08:23):

And I'm like, okay, but then rent as we're wrapping it up. Um, uh, one of, I think it was the wife asks me, Hey, by the way, do you guys count daycare costs in qualifying ratios? Because they had not filled out the online alone yet. W because she volunteers we're about to have her first child next month, talk to him so that it is illegal for loan companies, mortgage lenders to ask, Hey, are you going to have a baby anytime soon? But we will eventually find that out. And so luckily it came up right away in conversation. Number one, because, um, you know, then a series of questions in sued, Hey, are, you know, so how long are you gonna be out? And are you going to come back? So in mortgage lending, we can count the income of the person who's on any kind of a temporary leave.

Speaker 1 (09:18):

And in this case, uh, just like with our benefit plan, she's going to receive 60% of her normal income. Okay. While she's out on leave. So that's the income we get to use, um, for qualifying. So that's, that's less than what I was planning on originally. And then there's some other documentation we have to get like both the employee and the employer has to tell us in writing that they are going to come back. Um, and there are some other interesting details in that, that we don't need to go into, but the other threading the needle, uh, element of this is, Oh, and their leases up on June 15th. So, so we are going to have to, uh, yeah, a lot going on, we got to thread the needle here and help them buy a home while she's on maternity leave. And hopefully, you know, before she goes back to work

Speaker 3 (10:12):

Well, cause the, uh, the key point is if, if we are in this, in-between where we can only use some reduced income, you know, because she's on leave. That has a huge impact on how much house can I buy? How much, how much monthly payment can I afford because you know, mortgage lenders, how do I say this nicely? Unfortunately, we have to take a conservative view. Hey, I know you told me you're going back to work. Hey, I know, you know, you're going to be making a hundred cents on the dollar soon, but on the day of closing, here's what we're limited to. And that impacts,

Speaker 1 (10:54):

Well, there's a little, there's a little wiggle room on that. David, in that if, if the first payment, if they're going to be back to work, uh, before the first payment is due. So let's say we close the end of may. Uh, the first payment's going to be due July 1st, and she's going back to work on June 15th. Then we could get to users, same salary, but there's just a lot up in the air. We may also be able to fill in her income using their excess savings. So just a lot of moving parts in this particular situation. And it's all about the details. It is absolutely 100% all about the details. All right, when we come back, uh, we are going to talk about the opposite end of the spectrum, uh, uh, a multi-time client of ours. Who's going to buy another primary residence and it will give you that story because it is the complete opposite of what we were just talking about. You're listening to the Accunet mortgage and Realty show on am six 20. WTMJ

Speaker 2 (11:56):

Getting you into the home of your dreams. Here's more of the Accunet mortgage and Realty show with Brian Wicker on WTMJ

Speaker 1 (12:06):

Two other tidbits about the first time home buyers that I forgot to mention. Um, you brought this up a little bit, David, what we're really doing anytime we pre-approve, somebody is we're telling them, Hey, here's your maximum payment and that maximum payment, it turns out can vary, uh, depending on what percentage of down payment you put down. So I was showing them, uh, on screen. And that's what we do is we try to get people to look at our computer screen so we can show them how all the numbers are working. And I was trying to show them how they can give wiggle room in the appraisal contingency. They can say, Hey, I'm willing to pay you $230,000 for the home on which you're asking two 25, um, and, and still allow them to buy that home. And it was only going to be a difference.

Speaker 1 (12:54):

You know, this is all about what happens if the appraisal comes in low. And that particular example of the appraisal came in five grand low, and they promised to still buy the house. Their payment would go up like $11 and they'd have to bring a $400 more to closing. That's not so painful. And people are always shocked at that. Uh, and that's what we help people do is quantify. All right, w you know, we're gonna work with your real estate agent because you're going to have to offer more than the asking price in these popular price ranges. And then the really attractive thing for the seller is flexibility and where that appraisal comes in. Um, and so then we illustrate for people depending on their circumstances, just how much, or how little that's going to hurt. The other thing though, is that to do that, if you're intending to put 5% down for first time home buyers, you can put as little as 3% down. Interestingly, the computer system would only grant a approval with 3% down at a total monthly payment of $1,550 for this particular couple. But if we then went to 5% down, I could have the maximum payment at 1750 $200 more per month, which is meaningful,

Speaker 3 ([14:06]):

Uh, to go back to what you said to start the show in trying to make sellers comfortable. The reason I think appraisal and value is top of mind is because you very well may be setting the new high watermark in terms of what you are buying this house for, and even sellers. I mean, don't forget everyone in this conversation is human and sellers themselves might be like, I'm sorry, you're willing to pay what for my house. And so they're in some level of disbelief as to what they can sell their house for absolutely flexibility on price, flexibility on value and John on the appraised value and the ability to get her done, uh, because you got the scratch to maybe bridge the gap between your accepted price and a possibly lower appraised value. That's what matters to seller. And that's what helps them say yes,

Speaker 1 ([15:03]):

And to what I've been telling, uh, buyers like this. And you'll recall, uh, when I helped Tim and grace sell their home in Wauwatosa, uh, in March, I think it was of, uh, last year during the COVID, um, you know, we had two offers. I, we asked three 29, nine, um, which I didn't know how we were going to get it appraised for that. Right. Because it's like, okay, well that was about 10 grand. More than we had just had it appraised for or something like that. 15 grand more, uh, relative to refire earlier in, in, uh, and so I'm like, okay, I think I'm asking a high price at three 29 nine, we get one offer at three 40 with no appraisal contingency and 10% down. And then we got another offer at three 45, also 10% down, but with an appraisal contingency, well, that was a no brainer. I'm going with the three 40 with no appraisal contingency. And then I backed into the math as to what it really had to appraise for so that they could still get their financing. And I checked that out with their lender. Uh, the answer to that was three 25, by the way, is what it had to appraise for. So this is all about, you know, wiggle room and ability to get the job finished. Well, right now we kind of shoot up this whole segment on that.

Speaker 3 ([16:21]):

W well, yeah, but I got, I got one more point because, uh, uh, you had relayed, Oh yeah, by the way, we have an extra $50,000 that happens like one out of every 400 conversations.

Speaker 1 ([16:33]):

That's right. I forgot to tell you, I've got a lot of money that I'm not really wanting to use. Yeah.

Speaker 3 ([16:39]):

I understand that people, you know, personal finance emphasis on the word personal, but like, imagine you're, you're going to the mortgage doctor, don't hold back on your doctor on like, Oh yeah, by the way, you know, my arm's broken, like, please share with us. We want to help you buy a house. Don't hold back on $50,000. That can be a huge benefit to helping you well.

Speaker 1 ([17:04]()):

And, and you know, the other, probably more realistic first gifts from relatives. Secondly, is the, um, Hey, you've got money in this 401k or in this IRA that we could tap. We want to do that for appearances and document that, um, that's our next best thing for bolstering down payment. All right. We'll talk about our repeat buyer after the news. And now it's time to turn it over to the tool

Speaker 4 ([17:31]()):

Don't break. The bank did get into a house back to the Accunet mortgage and Realty show with Brian Wicker on Delancey TMJ. Right? So first time home buyers that discussion one,

Speaker 1 ([17:42]()):

We wrap that up here in the first half of the show, and I love David's analogy. A lot of them they're like walking blindfold across six lane freeway, and either blissfully unaware that they just missed getting run over by the semi truck, or somehow make it to the other side. Others do need, everybody needs a good guy to help them across that six lane freeway, blindfolded or not. How do you like that, Dave? And we would be happy to be part of that team. All right. So now on the opposite side of the spectrum, multi-time client a very well qualified, retired person, lots and lots of assets. We just helped them buy a second home in Florida, uh, this last September. And we use dividend and interest income as his only source of income, because he's not taking, uh, social security yet not drawn on IRS. He unexpectedly sold his primary residence in Wisconsin. How do you unexpectedly sell your home? They said, well, we're going to go ahead and ask me.

Speaker 3 ([18:41]()):

I was going to say, did someone go like knock on his door? Like I will pay you any price for your house.

Speaker 1 ([18:47]()):

That is exactly correct. Or you put a flyer. Oh no, no, they didn't. I don't know if they liked the answer. I think they put a flyer in his letter, in his mailbox. Like we would like to buy your house or are you in the market to sell? And they're like, well, maybe. And so very attractive offer. I think it was, you know, um, no appraisal contingency and boom. They, they closed last week. So now he's sitting on a pile of cash, like I dunno, close to a million, I think. And, and, and so now they're thinking, okay, well, we're not in a hurry cause they're down in Florida. Uh, but we want to start looking. And so Brian, you know, should we get pre-approved now? Uh, or should we wait? And like, um, you know what, you're going to write this offer as a cash offer, you are also going to probably not have an appraisal contingency and you were going to crush the hopes and dreams of every other home buyer out there who's competing for the property that you want to buy because you were going to be the perfect bite.

Speaker 3 ([19:51]()):

Yeah. That's not just a rock solid preapproval. That's a concrete solid, or a, you know, some steel reinforced car cash. Yeah.

Speaker 1 ([20:01]()):

Right, right. Now the, and, and when people don't know, cause they only know what they know, and this is true in some other States as well. But in, in Wisconsin, the standard Wisconsin after purchase has pre printed language that says, Hey, I'm writing a cash offer. Oh, by the way, this and this is important to let people know. If you read a cash offer, you have to either give the seller if they ask for it, which they all do a proof that you are capable of being a cash buyer. And you can do that a couple of different ways a financial institution can write a letter saying, Hey, Bob, here has the cash to buy this $800,000 house and not need a mortgage. Or you can give them your bank statements or your investment Stevens and scratch out the account number. Um, either one will work.

Speaker 1 (20:49):

So you will be likely asked to prove that you can be a cash buyer, but then the other, uh, preprinted language says, and the seller will allow the buyer access to the property. If they choose to get a mortgage, like, Hey, you're going to let the appraiser in the house if one is needed. Right? And, and so the answer was, we don't need to pre-approve you, you know, I just did your loan. You know, you can be a cash buyer. And so thankfully he's, um, money savvy. And he realizes that, you know, we're going to be able to lend him money in the twos. You know, maybe he's going to choose a 15 year. I dunno, we did a 30 year on his place in Florida, which, which by the way, when you're retired, I think most retirees want to have the lowest monthly nut for their expenses. Cause right. Once you stop getting a regular paycheck, the outgo becomes much more important in your monthly outflow.

Speaker 3 (21:43):

I was going to say, cause you made this point before we went on air. Is that okay? Even whether it's a first-time home buyer or a multi time repeat, they still wanted the advice. They still wanted the, was it permission or, or, or the, the clear the clearing to be like, no, you go be a cash offer, but he still wanted to check in with his mortgage doctor Brian J Wicker to, to, to say like, no, this is going to be your, your best way forward.

Speaker 1 (22:11):

I want wanna, I want to do this, right? Yeah. That's right. Yeah. So, so that, that is, and you know what, you know what, I love my job. I love what we get to do every day because we're helping people make big decisions and, you know, navigate their way either to first-time home buyer ship, you know, and really we're helping people do something important. It's a lot of fun. Um, all right. So when we come back from this next break, uh, there is an absolutely ridiculously poorly written article by Fox business news that I came across. You can refinance your home with no closing costs, but there's a major downside. We'll tell you about that. When we come back, you're listening to the academic mortgage and Realty show on Wisconsin's radio station am six 20 w T M J

Speaker 4 (23:04):

Important home buying questions and answers. And you can count, they say is the Accunet mortgage and Realty show with Brian Wicker on W2 on Jay,

Speaker 1 (23:16):

Right? So article and Fox business news, you can refinance your home with no closing costs, but there's a major downside. Um, and by the way, it was sponsored by credible, which is the majority owner of Fox, uh, corporation. So, Hmm. Maybe a puff piece. Well, it's just littered with bad information. Um, and, and, and so, you know, the, the they're basically is handle, you could really shoot yourself in the foot if you go with a no cost option. So let's review how this works. So I've got up on my screen, $250,000 refinance, 25% equity, all the other rest stuff, Wisconsin.

Speaker 5 (23:56):

Um, we

Speaker 1 (23:57):

Could give that a person 2.7, 5%, and they would have to pay one half of 1% in interest upfront call points. They'd have to pay an extra $1,250 to get that trophy rate. Um, remember that the rate that you see publicized every week is for mortgages used to buy a home, not to refinance. And so David, while I'm peeling out these numbers, you look up what the average rate was this week. If you don't already have it reported by Freddie Mac, I think it's going to be 2.77 with seven tenths of a point, and that's not a purchase mortgage. So this is 2.75 with a half a point and seven tenths of a 0.2 0.73 tenths of a point. So, so we're essentially given you the purchase rate on a refi, if you want to pay that point a half a point upfront. So total loan costs of $2,484.

Speaker 1 (24:50):

This assumes we would need an appraisal then, though, if you decided, Hey, if the property taxes are, um, six grand a month, a year, rather on this mythical property, I'm talking about, uh, you're going to have to set up your new tax escrow account and on the new loan. And that's going to take $3,500, which will eventually get back from your old servicer. So bottom line is you would need $7,832 at closing. This is if you wanted to get the 2.75 and you, your old balance was two 50 and you want exactly two 50 on the new loan. So this is the person who's reading this article and saying, I don't want to finance any of my costs related to my refinance. I want to make sure my principal balance doesn't go up a nickel and I'm going to take the lower rate. Okay. So your cost to do, to get the loan is 20, just under $2,500, but you're ending up having to write a check at the closing for $7,800, because you're also funding your new property tax escrow account and paying some interest as well.

Speaker 1 (25:59):

Compare that to the 2.9, 9% no cost option. So yes, the rate is higher and then, you know what, I'm going to engineer the new loan so that you don't bring any cash to closing. Okay. So now I just kept $7,800 in your checking account. The payment difference is $55 a month, mainly because I'm increasing your loan balance, but let's do the math. David, do you have a calculator handy if you take 7,800, okay. $7,000 and you divide it by the payment difference. Cause your real question is if, is it a good idea to write out that check for $7,800? And the answer is, well, how many lower monthly payments would it take to replenish that money that you just took out of your checking account? The answer is 142, which is 11.8 years in the future. Yeah. That is an enormously long recoupment. And then when you finally get to that point, you're just at breakeven. Okay. So yes, for the long haul, the 2.75, you know, if you got a 30 year mindset, that's the way to go. Most people don't have that 30 year mindset plus they don't have the $7,800. Right. And so what we do most commonly wouldn't you say David, our most common thing is to have minimal closing costs, typically 1,230, $4 or less, a lot of times zero and then to engineer so that people don't bring any money to closing because that usually is the best deal for like eight years. Would you say generally?

Speaker 3 (27:40):

Well, absolutely. And, and it's just, I mean, one of the points I make is, you know, think about some decision you made nearly 12 years ago, like, Oh yeah. Back in 2009, I decided this thing and only now am I breaking even that's how long you have to wait going forward in your example. But by the way, 12 years ago, 12 years ago was before the green and gold one super bowl, 45 that's how long ago that was.

Speaker 1 (28:08):

So that's a long time. Okay. That's a good, that is a excellent analogy. You know? And the other thing, like when you're talking to these first time, home buyers too, you know, I'll point out, okay. Everybody thinks it's all about the rate on mortgage lending and then we'll show them, you know, the 2.75 with some bunch of closing costs and then 2.8, seven, five with no closing costs. Um, and it's obvious to them then it's like, yeah, I have other things I need to spend money on. So, well, why don't we come back? Let me tell you how much homes are appreciating around the state of Wisconsin. You're listening to the Accunet mortgage and Realty show on am six 20 WTMJ w

Speaker 2 (28:46):

Two 77 CV at WTMJ Milwaukee, probably annex wealth management studio. This is news radio. WTMJ helping you find a place to call home. Racing's the Accunet mortgage and real to show with Brian Wicker on WTMJ

Speaker 1 (29:03):

All right. I was digging around the federal housing finance agency site, where they have the best, uh, home price index. And in other words, how much have homes increased in value? And the reason that it's the best and, and is better than, um, uh, my MLS data is that the FH FAA home price index takes into account the same home selling more than once. Okay. And, uh, whereas the MLS is just kind of, Hey, it's whatever homes happen to sell. Um, so it was called a paired analysis. Uh, anyway, so here's what I found out. Are you there David or did I lose

Speaker 3 (29:42):

You? Yeah, yeah, no, I'm still with you. Sorry. All good. All right.

Speaker 1 (29:46):

Okay. So, um, in the state of Wisconsin, this is measuring from September 30th of 2019 to September 30th of 2020. Uh, home values are up 7.3% in the state of Wisconsin that's and by the way, over the last five years, up 36%, wow. Minnesota, where we also lend statewide is 7.1% increase over the last year, up 35% in the last five years, Florida, uh, most recent year, 8.4% appreciation up 47% in the last five years. But remember Florida values really plummeted during the housing crisis. And then lastly, Illinois are where we do a lot of lending, only up 5.4% in the last year and up 19.7 over the last five years. But what really surprised me, David is the variance within Wisconsin in the Metro Milwaukee area. Home prices are up 9% over the last year and over the last two years up 16%. What opportunity does that afford homeowners that bought a year or two ago, especially if they're first time buyers with small down payments.

Speaker 3 (31:04):

Yeah. You'll, you're going to be paying that evil, monthly PMI, but Hey, if you've got more equity in your home, perhaps if you can pair that with a lower rate, because rates have slid for the last two years, maybe you get the double whammy, maybe a lower interest rate, and we can reduce your monthly PMI, um, to, to even reduce your monthly payment even more.

Speaker 1 (31:29):

Exactly. And so with apologies to all of our good friends at MDIC, there's an opportunity to reduce not only your principal and interest payment, but either eliminate or reduce the cost of your monthly PMI because at 5% down the monthly PMI is more expensive than at 10% down or 15% down. So, um, mortgage insurance pricing goes in those 5% increments. All right. So, so that's a great is what's surprised me though, is Madison. And I got to look into this only up 4%. The last year. I was really surprised by that as was green Bay Appleton. Um, also up only 4% of the last year. So peers is according to this data that maybe there was some cooling off in home price appreciation in places other than Southeastern Wisconsin. Um, so, you know, when it comes to, uh, doing that refinance, I wanted to say our, our job is to quantify a person's choice, right? If, if you want to be the person that writes out the check for $7,800, so that your loan balance doesn't go up at all. And that's only if you're escalating the reason. Remember in my example, the cost of actually getting the mortgage was only $2,480. Cause that person in my example was paying a half a point it's it's the ruling over the tax escrows. If you don't ask her for taxes, then you don't have that extra cash needed a clothing. Or are you gonna say,

Speaker 3 (32:52):

Yeah, I wanted to come back to just to talk about your home appreciation. Cause I saw this in your notes for the show because, uh, you had noted, and this goes back to your first time home buyer story to start the show, a theme that you've said for many years, buy more home than you need to because, because we'll dig into those home appreciation numbers. I, I bet there's more granular, uh, you know, uh, nuggets. Yeah. But, but, but in two or three years from now, I think it's fair to say home values will continue to rise because that's what the supply and demand says. And then you could have the double whammy of pain because in three years from now, or what if rates have gone all the way back up to 4% and the home you thought you loved and wanted to buy has gone up by 15% in that three-year period. Wow. You know, you, congratulations. If your income has gone up at the same pace, but that house that you love three years ago just got more expensive. So correct the time. Yeah.

Speaker 1 (34:09):

That's a, that's a, that's a great way to bookend our show, David, because thanks for bringing that up because I did actually talk with the first time home buyer, a couple who's having their first baby and kind of said, you know, if you can stand it and now they do have substantial student loan debt, um, which they also want to tackle and daycare is a real thing. Yeah. Well, right, right. So, so anyway, you know, the, the advice that I said is he, instead of buying a $225,000 home, if, if, as you're looking out there and you say, well, that's one with two bedrooms and one bath and you know, our growing family, you know, we eventually, we're going to want to have three bedrooms and two baths, and that costs 300 or two 75. Let's see if we can make that work. So you buy the house.

Speaker 1 (34:54):

Now that's going to last you for, you know, as long as you have kids in the house, basically instead of buying one now, and then five years from now or four years from now buying another one, we're happy to do it either way, but it's just, again, one of those things that we try to help provide perspective. Well, that's all the time we have for today's show folks. We'll see you back here at the same bat time, same bat channel. Next week, you've been listening to the Accunet, mortgage and Realty show on am six 20 WTMJ. The proceeding was a paid program. Advice and opinions expressed during the accurate mortgage and Realty show are solely the hosts or guests of active mortgage and accurate Realty advisors and not WTMJ radio or good karma brands, Milwaukee LLC.