Speaker 1 (00:00):

The Accunet mortgage and Realty show is sponsored by Accunet mortgage and equal housing lender and MLS ID two five five, three six, eight, and Accunet Realty advisors, which is a separate company from, but still affiliated with Acunet mortgage.

Speaker 2 (00:14):

Welcome to the Accunet mortgage and real to 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, good morning. And welcome

Speaker 1 (00:31):

To the mortgage and a Realty show. Do you know today's PI day David? Oh yeah. PI day 3.1 3.14. There you go. All right. So a happy Friday, everybody. I'm Brian Wickert, uh, on a record and mortgage in there with my son David here. Um, who's our chief client experience officer and we've got interesting stuff we hope to share with you about buying and selling and financing your home. If you've got a comment or question, you can reach us on the Accunet mortgage talk and text line, which is (855) 616-1620. And you can also grab a podcast of today's show or any prior shows wherever you get your podcast. All right. So it's the natural state of things. I believe David, that we as human beings assume that tomorrow's going to be like today. I mean, maybe with the exception of the weather and we apply that thinking to lots of things, including the criteria for getting a mortgage. Well, I decided that our lead story today is, should have to do with the topic. We've talked a lot about on the show, which is financing, vacation homes. And the reason is that this last week Fannie Mae and Freddie Mac said, uh, we're going to be taking some steps, um, on April 1st, which is like only two weeks away to reduce the amount of mortgages we buy that are secured by vacation homes and rental properties.

Speaker 1 (01:56):

And we kind of knew this was coming. We talked about this as early as September of 2019 on this show when the United States treasury, uh, which kind of is the ultimate overlord of our friends at Fannie Mae and Freddie Mac right now, you know, on a kind of a, we, the people, the United States bailed them out to the tune of a little over 200 billion. Was it? Yeah. Um, back in 2008 when Fannie and Freddie Fannie and Freddie are essentially insurance companies and they, you know, uh, ran out of money, uh, because the claim that they pay is, Hey, if there's a foreclosure on a loan that Fannie and Freddie have guaranteed, uh, we'll make sure you as the investor in that bundle of mortgages gets all your money back. In fact, they guarantee the timely payment of interest and the eventual return of all principal on any mortgage that they guarantee.

Speaker 1 (02:51):

And so they ran out of money in 2008 because of all the crappy loans that they agree to insure. And that's why we had to bail them out. So the treasury would like United States treasury would like to get them back to being private companies, because right now you and I, as taxpayers, David and all of our listeners, we're the ones that are really backstopping that guarantee. Now, luckily they're fat, dumb and happy right now making a lot of money, but the U S treasury said, Hey, we want to make sure that no more than 7% of the loans that you buy are backed up by mortgages secured by second homes and investment properties. And what was, did you read? Because I just read it the percentage of current loans. This is according to the mortgage bankers association of America right now, the pipelines of loans in process are 10.2%.

Speaker 1 (03:44):

Wow. Yeah. Backed up by vacation homes and investment properties. So somehow now, and I've been thinking about this all morning, how is Fannie Mae going to make this happen? How, how are they going to cause a lower percentage of lawns to be backed up? And my thought is, they're just going to turn the screws on all of their Fannie Mae seller servicers. And so just as an example, you know, Accunet mortgages out here, we're making loans to people. Then what we do is we sell the loan to a Fannie Mae servicer, like a Wells Fargo or a, you know, Mr. Cooper or new Rez or associated bank. Those people then turn around and actually sell the loan to Fannie Mae and Freddie Mac, and then service law. They collect the payments every month. Yeah. And I think what they're going to do is go around and say, okay, Hey, Wells Fargo, Hey associated bank.

Speaker 1 (04:38):

You got to make sure that when you're selling us loans and by the way, this is on a week by week basis. So think how ticklish that is. Okay. You gotta make sure when you sell as loans this week, that, you know, in that bundle of a hundred, only seven of them can be investment properties or second homes. So I think this is going to be a rolling blackout, if you will, of, of different money sources saying we're, we're sitting our pricing this week on investment properties and second homes because we're over our limit. That's what I think is going to happen. And we saw one of our Fannie Freddie money sources do that already on Friday. And what they basically did is said, Hey, if you want to finance a vacation home, starting on Monday, like tomorrow to get the same rate that you would have gotten on a primary residence.

Speaker 1 (05:31):

Because up until now, the financing terms that you'd get on a vacation home were identical to what you get, if it was a primary residence. So now this one, instead, I'll let that we have said, pay us an extra 1% of the loan balance if you want that same rate. So on a $300,000 mortgage to finance a, a vacation home with 25% equity in all the right stuff, to get 2.99, you'd have pay us three grand. It's not that bad. I don't think, do you think that's going to stop anybody? No. No. Cause a sunshine in Florida is better than 10 degrees in February here in Milwaukee, always that's right. Or, or that beautiful place up North on a Lake, you know, that's not going to slow you down. All right. But just know the takeaway is in mortgage world things aren't always going to be, uh, like they are today. When, when the sun comes up tomorrow, there can be changes and there's some more coming down the pike. We'll tell you about that. After this break, along with a follow-up story on one of our vacation home shoppers, you're listening to the Accunet mortgage and Realty show on am six 20 w T M J

Speaker 3 (06:39):

Home buying advice from the guys who know it best. This is the Accunet mortgage in Realty show. When you Brian Wickert. on WTMJ and also the younger, more handsome David, um,

Speaker 1 (06:53):

We were just talking about how the world song was a change in place. And we think there's going to be more, uh, interest rate or closing cause volatility, uh, surrounding the financing of vacation properties and remember Fannie Mae and Freddie Mac, uh, only buy loans up to $548,250 to be precise. So, um, and we're doing a lot of vacation. I, we should run our number and see what proportion of our pipeline is vacation homes. But anyway, we talking last week about a client who needs to do, uh, don't. They call this a double switch in baseball, like when you move two players around or something. Yeah. So they are what they want to pull off and they don't know what to order or didn't know what order was going to happen in is they want to downsize their primary residence in Wisconsin. And then they also want to buy a vacation home in Florida.

Speaker 1 (07:45):

Cause they're getting to be, you know, close to 60 and they're thinking, you know, blah, blah, blah, maybe at, and one of them is a remote, you know, worker can work from anywhere. And so they're thinking, you know, and the husband is going to retire sometime soon. Remember that. So they're thinking maybe they'll relocate to Florida and make that their primary residence. Uh, and for one reason, what does Florida have that? Or no? What does Florida not have no state has you over there? Yes. State income tax. All right. So remember that. So the, the storyline last week was that on Friday, I got an urgent email saying we found a place here in Wisconsin. We want to downsize to a condo. And so can you pre-approve me for a bridge loan really fast. And that turned that that need, uh, went away because the property got under contract really quick. Oh. And it had some, it had another feature that the buyers didn't want when they looked at it a little closer. Okay. So that crisis passed. Um, but in the meantime, we were still doing things like verifying income and Bubba, all of a sudden Sunday night, I get an email. We have an accepted offer on the vacation home in Florida. Fantastic.

Speaker 4 (08:56):

Wow. Okay.

Speaker 1 (08:58):

That was, you know, cause, cause the market in Southwest Florida, they're in the, there, they were looking in the Fort Myers, Naples area is hot. Uh, despite an article in the wall street journal that said, Oh, people are moving out of Florida, no way from what I'm hearing for real estate agents and home shoppers, it says how to market for vacation homes in Southwest Florida as it is for primary residences in the greater Milwaukee area. Yep. So great. So, Hey, congratulations. You've got your accepted offer at the same time, we were having to verify using an old fashion verification of employment, uh, for the husband in this case because his piece stub didn't have year to date earnings. So then what we have to do is we have to send a form to his employer that says, okay, how long has Fred worked here? And what does he get paid? Well, literally on Monday, that form came back and I said, Oh, he's ready.

Speaker 4 (09:54):

Tiring. And June Don, uh, what, what happened? You said, you said he's retiring soon. Not retiring in June. Okay. Right, right. Wow.

Speaker 1 (10:09):

So what did that do to our recipe for qualifying?

Speaker 4 (10:13):

Well, it's, uh, we must point to the income that you are going to use to make that monthly payment. However, if you have declared to your employer, you know, I'm retiring that income is we, we all know that income is about to go away. And so even if you know, you're going to close in April of 21 and you're getting paid well, that income's going to go away. Maybe even before your first payment on that new house,

Speaker 1 (10:43):

Can't use it. The, the philosophy is that we must have, we must have reasonable confidence that the income reason to qualify will continue for at least three years. That's the bologna sausage. That is the rule. All right. So, so we lose his income, but luckily there's two, two borrowers, two buyers. And remember what we're doing anytime we approve a loan is we're saying, do you have enough money to make the down payment and closing costs in any reserves that are required? And do you make enough money to like pay that loan back plus all your other debts? So that's where we had the problem was all of a sudden now by subtracting the income, their other monthly payments were too high and wouldn't allow for an approval. We'll tell you how we solve that puzzle. One. We come back, you're listening to the accunet mortgage and Realty show on Wisconsin's radio station am six 20 w T

Speaker 5 (11:37):

Getting you into the home of your dreams. Here's more of the Accunet mortgage and Realty show with Brian Wickert on WTMJ love that Get Back music. Thank you, Isaac. So we're talking about somebody we're helping with a buy this second home

Speaker 1 (11:54):

In Florida and the bombshell was, Oh, the one of the borrowers is retiring. So we can't use their income now. Or the numbers are such that we can't approve their loan because when you're not selling a property, like they hadn't sold their primary residence. Yet we have to count that mortgage payment, including taxes and insurance on their property, along with the taxes and insurance and mortgage payment on the new property and, and car loans to make sure that they can cover their monthly obligations. All right. So luckily, and this is why folks you'll want to work with Accunet mortgage is because stuff happens and it's solving of the problems. Whether, you know, I would rather solve this problem before they had an accepted offer, but it's the ability to problem solve. And so we had multiple options here. They happen to have a 10 year fixed rate loan on their existing primary residence in Wisconsin, which has a giant size payment because you're paying so much principal. So one idea was, well, we could refinance that property with a bridge loan, pay it off. And then we're converting a high mortgage payment to a very low one because the bridge loan payment is interest only. There is no principal, David. Yeah,

Speaker 4 (13:06):

I was going to say, but you know, you might, uh, um, uh, numbers, Hey, we can lower your principal payment by $600 a month. But does that really make up for the couple of thousands dollars a month that the we can't use anymore with the retirement

Speaker 1 (13:20):

In this particular case? It would've. Oh, okay. Wow. So, so then, um, the next, uh, doorstop was, well, you have a car loan that has like six grand left on it and you could, you could pay that off with funds that you have in savings or whatever. Yeah. And then that would make that payment disappear. Or we could remove the retired husband from the loan application because his name was on by himself, on a car loan. And so, because when you're buying a second home in Florida, David, what do you have to put inside it in order to enjoy it?

Speaker 6 (14:02):

Furniture? Yes.

Speaker 1 ([14:05](#)):

Ding, ding, ding. So cash is King. Yeah. Coffee and furniture. So it's like, I didn't like the idea of burn-in six grand and neither did the wife. Who's who's going to be the sole borrower. So thank God we took the path of least resistance. And now, so we just removed the husband from the application. Awesome. That solved our problem with our debt to income ratio. Two other quick things on this, they had wisely written the offer to purchase. Let's say it's just under a $400,000 purchase price. Let's say it's three 90, not the real price. And they said, Hey, we're going to finance two 90. Okay. There are a hundred thousand dollars down why that looks really strong to the sellers. So then the question came up, um, well, should you put much down or are they, you know, the question was, can we put less down?

Speaker 1 ([14:54](#)):

And the answer is you can, so instead of putting basically 25% down, we're just going to go with 20. Why? Because cash is King. Yeah. Then, and the payment differences, you know, like 25 bucks different. So that was a smart move. And then lastly, um, okay. Let's just one more time. Talk about the source of funds for down payment. Well, okay. We've got this money in our brokerage account, but it's not quite enough. So I was thinking, this is the buyer we're talking. I was thinking about tapping into this inherited IRA for about 25 grand. And I'm like, well, you know, I know you have to take out that money within 10 years, but it doesn't have to be in year one and you don't have to do it one 10th at a time. You just got to make sure all the money is withdrawn.

Speaker 1 ([15:45](#)):

And then you pay taxes on that money when you take it out. So I said, well, aren't you trying to become a Florida resident? Yeah, yeah. Hopefully within the next year. Yeah. I said, you know what? Let's instead use your existing home equity line of credit on your primary residence to come up with that money, a little interest on that. But here's what you're going to avoid. You're going to avoid federal income tax right on that property this year. Yeah. Correct. And then when you do eventually have to take it out, if you are a Florida resident, you will avoid paying the 7.6, 5% state of Wisconsin, but a boom nibble of interest you're going to pay on that is, is pennies compared to the savings you just talked about? Well, we're going to save them $1,900. I did the math. I said, okay, by avoiding taking that 25 grand out of the IRA till you become a Florida resident and you're going to save $1,900.

Speaker 1 ([16:44](#)):

So that's just another reason that you want to do your mortgage lending with Accunet is any. And all of our practitioners, we have 14 licensed loan consultants and all of them come with me as a sidecar or David, you know, for a consult. You know, if they have a situation like this. So I can't handle everybody's loan. And I try not to do any if I can, but anyway, long story short, there's more to it than just how low is your rate and blah, blah, blah. This is about being smart. All right. Why don't we come back after the news? I've got a story about somebody who needs to sell out. No, it needs to buy without selling. And it's tight as the lid on the pickle jar, when it comes to the numbers, we'll tell you how we're solving that issue when we come back and now it's time for the news,

Speaker 2 ([17:34](#)):

Don't break your back, did get to do a house back to the Accunet mortgage and Realty show with Brian Wickert on WTMJ. All right. So, uh, another consult that I'm helping, one of our, uh, senior

Speaker 1 ([17:50](#)):

Loan consultants with, uh, this weekend came from one of the top realtors in the Southeastern Wisconsin and, uh, one of her home buyers. And so the, the challenge here is that the home buyer wants to move from one hot market to another, and they're trying to increase their house size. And they're going from Wauwatosa to Brookfield is the move they're trying to make. And, um, and so the challenge though is with, uh, they're adding to their household in terms of head count via another child. Yes. And so there's no way that they want to make a double move, right. They don't want to cause, cause we all know that their home in TOSA is going to sell

Speaker 7 ([18:39]()):

Bam in date, right? Yep. Yep.

Speaker 1 ([18:44]()):

But they still can't write an offer on the new place that says, Hey, I don't rent my house. Is in tosa. So accept my offer. That's contingent upon the sale.

Speaker 4 ([18:53]()):

Good. Right. That offer, that would not be the craziest thing. By the way, the house I'm selling is in the hottest market in Milwaukee, everything will be okay. Whether had a seller would take that would be interesting. Sorry.

Speaker 1 ([19:05]()):

Exactly. So, so, um, two ideas I had, well, so, so one is the kind of traditional thing of all right, what are you on your house? And great. We can do a bridge loan up to 80%, but the wild card there is I'm being conservative in saying that might net us 25 grand a new money. Okay. But the good news is it won't change their payment. Cause that extra 25 grand will be at interest only meaning the lowest possible payment. So we get the 25 grand without increasing the carrying costs of their old house. Um, they got like 10 grand a savings. And then I'm, I'm, I'm worried now about, okay, they want to buy like a $450,000 home if they can swing it in, in the Brookfield area. Well, that's, you know, having 35 grand, this, you were talking 5% down. Right. And so that's not the most attractive to the seller.

Speaker 1 ([20:04]()):

Yeah. And now we only have a one income household and they do have a couple of car loans that are joint. So we can't use the trick or the technique of, well, we'll just eliminate one borrower because the car loans are joined. Yeah. So long story short, I've been working on this on and off. I was working on it a little bit this morning. Cause at, that'd be an interesting thing to talk about and it looks like, it looks like we're going to be able to do this, um, and run their financial blood pressure. So folks, what all mortgage lenders do is we measure what are your total debt obligations. So payments on both homes in this case and car loans. And they have some student loans as well. Uh, what are, what's that total monthly outflow as a percentage of your gross monthly income.

Speaker 1 ([20:49]()):

And typically you want to keep that under 45%. And so if you make $10,000 a month, you can have $4,500 of monthly payments. All right. In this case though, because they have excellent credit, I just got a scenario approved at 49.9% now because at 50 it's a dead stop if with a Fannie Mae loan, if you hit 50, but here's the scary thing and I'm not done grinding the beans on this deal. And that's, by the way, at a purchase price of 400 grand, that four 50, cause we just can't get there from here, you know, unless I'm coaching them, like, can you get a gift from a family member? Because then if you weren't able to get a $25, $25,000 gift, Hey, now you can buy a four 25 home. Cause that really be plopped right on top of the maximum purchase price that we can approve him for. So he's working on that, but he's not particularly optimistic. Um,

Speaker 4 (21:47):

Well, because what's going to happen. Well, I was going to say, what's going to happen, uh, in real life, which might be a little bit different than mortgage life in real life. They're going to sell their Wauwatosa home. And their debt to income ratio is going to come down from the two high 49% of their income to maybe like 25% of their income, because they're not going to have that, that old house, that old mortgage payment. But I'm sorry. At the time of like right now we have to, you know, do that math on. Can you afford like, like you'll never be able to sell your Wauwatosa home. Right? So

Speaker 1 (22:24):

A system, the, the other thing that scares me and we've had this happen a little bit is so when we put this through the automated underwriting system, I got this approval today. Great. Well, Fannie Mae just updated their automated underwriting system last week. So cool. I'm getting this great approval at the very edge of approvability, but if they don't find a home for four months and we go to run this again, we can get a different answer out of the computer system. All right. I had one other idea on how they might be able to skin this cat. And I'm going to give you that idea. When we come back, you're listening to the Accunet and more Accunet mortgage and Realty show on am. Six 20. WTMJ

Speaker 5 (23:08):

Find a place to call home without the headache. This is the Accunet mortgage and Realty show with Brian Wickers on WTMJ. Maybe it's more like you're outsourcing your headache to your mortgage expert, right? Because people say, I want to move from here to there and I don't want to sell first. So tell me

Speaker 1 (23:27):

How I can do that. And that's the situation we were talking about right now. Um, and you know, so the, the first place you go is, okay, we can make a bridge loan on your old house to help you extract some, but not all of your equity. And then we'll use that as a down payment plus any savings you have. And I'm hoping they have gift money, but that's not a for sure thing to get into that new house. And we were talking about how you got to count all the payments because we make this unreasonable assumption that, Oh, you may not be able to sell your house in Mala TOSA. All right. So David, you said, I said, I had another idea of how they could do this. What, but you said you had an idea to what's your idea?

Speaker 4 (24:03):

My, yeah. So my idea was, uh, did we mention it's a sellers market? So if you list your home for sale and Wauwatosa, you get a couple offers, I'm thinking about post-closing occupancy, where you can live in the home, you just sold for up to 60 days. Uh, and you've sold the home to the new buyer. Uh, and you know, then we can exclude that payment because you no longer own the home, you're renting it back. And then you're kind of really on the clock then, but at least you're, you are clearing off that payment. You've got your proceeds and you can go be as strong as you dare to be in your next market,

Speaker 8 (24:51):

Um,

Speaker 4 (24:53):

With, with, without having to worry about your old home. Cause it's not your home anymore. There's that a little too much looking for the timeline. Yeah,

Speaker 1 (25:00):

No, no. That's exactly what I was thinking. And I saw, and we did not rehearse as folks. No, it was the only variation was, well, maybe you do like a 60 day close, you know, you say, Hey, I'll sell you my house, but I don't want to sell it in 30 days or 45 days. You know, I want to kind of delay that. And the only reason I was thinking and that plus rent it back for 60 days. Okay. Because maybe that would allow, you know, I got to check with Jason on this. So if they had their home sold and we had a copy of that buyer's loan commitment letter, could we then exclude that payment?

Speaker 4 (25:42):

No. Cause, cause what if that person, cause what if the buyer of our buyer's home loses their job or gets furloughed or whatever it might be, you know? Cause I was just thinking for, um, for our client, who's about to be a seller. Don't forget you have all the leverage. If you've got those offers and you, you know, when you say very much for your offer, by the way, I believe,

Speaker 8 (26:10):

Hmm.

Speaker 1 (26:12):

You're breaking up on me there too. All right. So David, we lost you there. Sorry about that. So at what David was saying is as the seller, you've got all the cards. So if you want to dictate that, Hey, I want to close in 60 days with a 60 day rent back. Uh, you know, people probably say yes because you have what they want, which is a fairly reasonably priced home in Wauwatosa. All right. You're listening to the Accunet, mortgage and Realty show on am. Six 20 WTMJ WTMJ W2, seven CV and w

Speaker 4 (26:44):

KTI HD to Milwaukee from the annex wealth management studio. This is news radio WTMJ

Speaker 5 (26:51):

Expert advice on buying a home. Here's more of the Accunet mortgage and wielding show with Brian Wickert TMJ. So we're coming up on time,

Speaker 1 (27:03):

22 years in business, uh, this July, the 28th.

Speaker 5 (27:08):

Now one of the cool benefits of that is your customers start referring you, their adult children

Speaker 1 (27:14):

For, for home buying or home financing. And, uh, this, uh, story I wanted to share is about, uh, uh, son of, uh, some clients. And we actually helped them refinance his house in 2008, uh, or something like that, 2011, maybe. And anyways, so now he's got a fiance and so he wants to sell his home in Waukesha County and then the fiance is ultimately gonna assign, sell her home on the East side of Milwaukee. And then they want to buy a bigger home because they're planning on having some kids somewhere on the North shore. Okay. So that sounds reasonable. And um, actually I don't know if he, I don't, I haven't, he hasn't actually completed the Rock-solid pre-approval form yet, but I have a feeling because he works for his dad that I mentioned that kind of like you do David or works with his dad work for me

Speaker 4 (28:04):

Therapy group. Yeah. No, it's all good.

Speaker 1 (28:07):

Right. So, um, so I dunno if he has to sell or not, but during the course of this short conversation I had with him, I said, by the way, Jim, not his real name. Do you own any portion of your dad's company yet? Because remember David's a minority shareholder now have accunet mortgage. Yeah. And he answered no, but the plan is that I'm going to take over like complete ownership in 2022. What's my problem, David.

Speaker 4 (28:37):

Well, he's about to enjoy all that comes along with being self-employed come the first of the year 22, the American dream. Yeah. Which is maybe going to be lots of fun for him, but in terms of like, how does that then apply to the mortgage world? Um, cause now he's formally self-employed he's going to be in the, is it a penalty box? Is that too harsh? A way to say it? Yeah. The penalty box that's exactly right. Okay. So he was shocked.

Speaker 1 (29:04):

He was shocked when I told him that, Oh, that means you have to buy your home. Like definitely in 21. And why not this summer? You know, let's get it done because once you own more than 25% of a company, and that's where you get your income from you are self-employed. And whether you're talking Fannie Mae loans or jumble loans, nobody. And he was shocked when I told him this, nobody wants to lend you money until you have one year of tax returns filed. So I said, if you wait until 2022, because that was just him. I don't know if we're going to do it year or maybe it'll happen next year. I'm like, Nope, you gotta have it done this year. Cause if you wait until 2022, you won't be eligible for financing. Assuming the world changes, it doesn't change right on this rule until you file your 20, 22 tax returns, which ain't going to happen until, Oh, I don't know, March or April of 20, 23. So yeah, you'll be on the sidelines for a year and three months unless you get this done and why not get it done sooner than later?

Speaker 4 (30:12):

Well, just to just defend the mortgage business, which I know I'm biased, but it's because let's, um, let's tell the story of what if his new self-employed newness is not successful or maybe is not as successful as it was when his dad was the owner of the company. It's like, you know, Hey, I am now King. Well, we need to see that you have a track record tax returns

Speaker 1 (30:40):

Of, of being

Speaker 4 ([30:42](#)):

Able to, to run this business, that it generates profit, that it creates that income for you. Because up until when the Baton is passed to you, you are not the operator. And so you've got, you've got this new title. What if that doesn't go well, what if you don't have the, all the same tricks of the trade and what have you that your old man did? That's why there's this?

Speaker 1 ([31:05](#)):

I mean, there are days [inaudible] him

Speaker 4 ([31:12](#)):

And him, not me, but I mean, that's why, that's why there's this penalty box. That's why there's this waiting period. Cause it's just like,

Speaker 1 ([31:20](#)):

You don't know. The real rule is two years. The real rule is two years. Okay. But the minimum, you know, if, and, and I would think that if, if things went well and he didn't kill the goose, that's laying the golden eggs, didn't kill his father's company when he took over. Yeah. You know, that, that would be a reason to do the one year exception, right? Is that, well, Hey, this company has actually been in business for 25 years on a different note. Uh, we had an excellent success story, uh, this last couple of weeks, period of a, uh, client who has a 25 year old business. Right. Who wanted to refinance. And so, okay. The new drill, all you business owners out there is we have to get tax returns. Of course we have to get a year-to-date profit and loss, uh, for 2020 at this time of year, he happened to have applied in February.

Speaker 1 ([32:20](#)):

So that meant we also had to get a January profit and loss statement. And then we had to get business bank statements for January, December and November three months. So it's a ton. Well, all this stuff kind of finally comes in and we look at it as like, Oh, that main business is showing that it lost money in 2020, according to the profit and loss statement. Yeah. But then once we had his tax returns, it was like, Oh, but wait, you own two other companies, a lot of business owners do this. They own the building that the business runs out of. And then they collect rent. So that company's P and L for 2020 was fine. And then it's actually his wife, uh, on the other business. And that P and L was actually better for 2020 than it was for 2019. Well, the only downside for the borrower and the client, and he kept his things upstairs in his office, he is a two-story office and he had all his financial records upstairs.

Speaker 1 ([33:21](#)):

Is, is that old now, guess what we need? We need the tax returns and P and L's and three bank statements for those other two companies. So, and, and then I decided let's document a nice chunk of retirement reserves to show that you've got money to fall back on. Okay. So the joke was, he sent me a picture of his stairs saying, I am losing a lot of weight today because I am going back and forth, getting you all the documents that you're saying you need, the good news is that by doing all that homework and that, by the way, we had to write up a little explanation of how are these various businesses doing, uh, as a result of the COVID pandemic and the main business obviously had struggled, right? Yeah. And, but they're on the mend and they have lots of, uh, projects booked going forward. The other two businesses were fine. Uh, so it was about writing that narrative, you know, hearing the story from the borrower, then we kind of type it up into mortgages and, uh, that loan got approved with no conditions day. Boom, Holy cow. Okay. Uh, one until yesterday

Speaker 4 (34:35):

After you had, after you had all of the, uh, uh, symptoms, the presenting symptoms, so that you could do your diagnosis, right? Yeah.

Speaker 1 (34:45):

That's right. Diagnosis and the cure. So, um, that's, that's, that's what I think helps set us apart. It's the problem solving when problems arise. It's not just the low rates with the low closing costs, David real quick. What's our APR on a 30 year fixed any of the week that is still kind of climbing up a little bit. Yeah.

Speaker 4 (35:04):

3.08, uh, APR on a 2.9, 9% interest rate you would have to, uh, pay, uh, one point in order to get that. So cost would be $3,700, uh, to get that rate, but you can still grab that to handle if you think you're going to be in that house for quite a while. Yeah.

Speaker 1 (35:24):

Point one, two, five, or probably three and a quarter with no points. All right. That's all the time we have for today. Folks you've been listening to the Accunet mortgage and Realty show on Wisconsin's radio station am six 20 WTMJ. The proceeding was a paid program. Advice and opinions expressed during the Accunet mortgage and Realty show are solely that of the hosts or guests of academic mortgage and accurate Realty advisors and not WTMJ radio or good karma brands, Milwaukee LLC.