Speaker 1 ([00:00](#)):

The Accunet Mortgage and Realty show is sponsored by Accunet Mortgage, an equal housing lender and Accunet Realty Advisors, which is a separate company from, but still affiliated with Accurate 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 from Accunet Mortgage and Realty. And now here's Brian and David Wickert.

Speaker 1 ([00:35](#)):

Welcome to the Accunet Mortgage Show, the final February edition. I'm Brian Wickert, The majority owner of Accunet Mortgage and Realty Advisors. Along with my son, David Wickert, the chief client experience, officer of Accunet Mortgage, and now a licensed real estate agent. Are you licensed or did you just pass the test? Did you send it?

Speaker 3 ([00:49](#)):

I passed the test. Yeah, I got to send in the money still. I woke up because you put me on the spot in front of all that I literally woke up at like 4:00 AM on a Wednesday morning and nailed my test. It's pass fail. So I assume that I got a 99%. That's what I thought.

Speaker 1 ([01:06](#)):

Fantastic. Well, congratulations. If you've got a question or comment and you're listening to the show, you can call or text us on the academic mortgage talk and text line, which is (855) 616-1620. You can also grab a podcast of today's show or any previous shows, uh, wherever you normally get your podcasts. All right. So once again, mortgage rates continued to creep up this past week. Uh, let's talk about the what and the why first, the, what Freddie Mac's weekly surveys says, quote, optimism continues as the economy slowly regains its footing, thus affecting mortgage rates. This is according to Sam Khader, Freddie Mac's chief economist. He goes on to say the rates continue to rise. They remain near historic lows. However, when combined, this is the part that I'm calling BS on when combined with demand fueled rising home prices and low inventory, these rising rates limit how competitive a potential home buyer can be and how much house they are able to purchase. I disagree.

Speaker 1 ([02:12](#)):

So it's not true. Here's more on the, well, I mean the rising home prices has a more of an impact way more than the rising rates. So here's, here's some more facts. Point nine seven was the 30 year fixed rate average that's if you were willing to pay six tenths of a point, which is $1,500 on a $250,000 mortgage used to buy your home. Because remember that weekly rate that Freddie Mac puts out is only for mortgages used to buy homes. If you're going to refinance the rates and eighth higher, thanks to Fannie and Freddie's money grab in December, uh, by the way, a week ago, it was 2.81 with seven tenths of a point a year ago. The 30 year fixed rate was 3.4, 5%. Here's a quiz question, David, you know, we're, we're so used to, I think, and, and human beings quickly get used to things like aren't interest rates always starting with a two. I mean, come on. How many weeks in 2020 do you think the 30 year fixed rate survey from Freddie Mac was started with the number two, a 52 weeks? How many do you think had two point something or 30

Speaker 3 ([03:24](#)):

Of the 52 weeks out of

Speaker 1 (03:26):

The 20. Okay. 20, 24. So slightly less than half. And the first time that a 30 year fixed rate was reported under 3% ever in history was

Speaker 3 (03:38):

I'm going to guess, uh, April 30th,

Speaker 1 (03:42):

No, July. It took until July, July 13th. Yeah. July 13th rates were above 3% at the beginning of the pandemic. Didn't dip down below three until July, by the way, the all-time Nadir, the low point was 2.6, 5%. And that was on January 7th. So in this year, uh, and that's, if you were willing to pay seven tenths of a point, we always got to see that because people assume of course that's with no points. All right. So just how much is this impacting, um, purchasing power?

Speaker 3 (04:15):

Well, the, the thrust of the, the thrust of the economist is just like, Oh man, it went from, you said 2.6 in change, and now it's 5.97 in change. Yeah. It's like, Oh, that's going to totally blow up people's ability, home buyers, ability to purchase and affordable.

Speaker 1 (04:32):

All right. Well, here's what this really means. So we can all help ourselves calm down. And all of our listeners, the median sales price in Milwaukee County in 2020 was 187,000 bucks. Okay. With 20% down that rise in rates means a home buyer's going to pay $29 more a month with 5% down because the loan amounts bigger, they're going to end up spending $34 and 50 cents more per month at two 99 versus 2.6, two five. That is not going to hold anybody back in Waukesha County where the median sales price was three 37. Yeah. The price with 20% down your monthly payment would go up 52 bucks because the rate went from two 65 up to 2.99. And if you're putting 5% down, it would go up 62 bucks. So again, not going to hold somebody back from buying a $337,000 home in my humble opinion. Do you agree? Oh yes,

Speaker 3 (05:27):

Totally. And, and, and I, um, my, my gentle way to say this is that if the 50, some dollars is the make or break interest rates are, or is not the top of the list for things getting in the way of buying a house and you have that, uh, you have an example of inventory, which is the real pinch point, uh, on your analysis for home buyers getting in the way of them finding a house. Right?

Speaker 1 (05:52):

Absolutely. We're going to talk about that right after this, along with the threat of inflation, really what's driving rates up, you're listening to the Accunet mortgage and Realty show on Wisconsin's radio station, AEM six 20 WTMJ

Speaker 4 (06:07):

Home buying advice from the guys who know it best. This is the Accunet mortgage and wheel to show with Brian Wickert on WTMJ. All right. Let's not forget about David weaker. Newly-minted real estate agent, although you're not going to really practice right. David, you just did that to be a smarter person, just to be a fart smeller, just like you

Speaker 1 (06:30):

Smart fellow, you meant. Yeah. Okay. So, um, uh, the, uh, I think topic here is rates of run-up and, you know, they've, they've gone up a fair amount by three eighths of a percent, a little less than a half of a percent. And so we just quantified in the first segment of the show that is not going to hold anybody back from buying a home. Okay. It's going to make her payment go up by it between 25 and 62 bucks, depending on your loan amount. And that is not going to keep somebody from law. I'm not dying. Uh, the real problem, uh, right now. And there was a David, you send me the article from the New York times, uh, talking about where have all the listings gone and, uh, which kind of reminds me of that Peter Paul and Mary song, where have all the flowers gone.

Speaker 1 (07:14):

But, um, the posit in that article that, um, there are a few things and there's like, you know, we, we we'd love to have a unified theory, but we don't really know. So here's some things that we think are contributing to the lack of available homes to buy. Well, of course they point to what we've talked about many times, the fact that we haven't built enough homes in the last decade, right. That's problem, number one, and that's not going to get fixed anytime soon. We're about several million housing units short while the population continues to grow this, I thought was interesting. Baby boomers, they say are the largest demographic of current homeowners for sure. Kind of makes sense. Right. And us baby boomers me, we don't want to move during a pandemic. That was, I think their best theory. It's like, yeah, you know, what do I need absolutely need to downsize this year during the pandemic.

Speaker 1 (08:09):

Right. I hope I can sit. I can wait this out, you know, wait to get my, you know, second, uh, vaccine shot or whatever. And so I thought that had some legs unless, and we're going to talk about this later in the show, you're talking about buying a second home in Florida or Arizona or some other warm weather climate. That market is on fire. Um, and, and baby boomers are doing that in, by the dozens I'm working. We're going to talk a little bit later in the show with a Wisconsin client who we helped are helping finance a second home purchase. And he was saying that at the hotel where they were staying like 80% of the people at the breakfast, you know, in the breakfast area, they all have, you know, offers to purchase or maps or listing sheets. There's like everybody's in the hotel looking for a home down here in Florida. Um, anyway, the other, another thing that they posit is that maybe, um, the seniors who might, you know, normally through the course of events, be selling to move into a retirement community. Uh, they're putting that off due to the pandemic

Speaker 3 (09:14):

Aging in place as they

Speaker 1 (09:16):

Call it that who wants to move to a, you know, a senior retirement community, which is, you know, kind of been where a lot of the pandemic has spread, although that's gotten way more under control. And then the third thing they put out there was, Hey, all the forbearance where people, if they had a pandemic related financial crisis could not make their mortgage payment and they would get foreclosed on. And they're saying, so maybe there's a bunch of distressed sales that in a normal market would force people to sell. You got any comments on those reasons?

Speaker 3 (09:45):

I, I, the, the one, um, I think key, especially for home values, yes, inventory is tight, but so long as income can absorb any increase in either rate or cost to acquire the property, you know, home values, aren't going to slow down. You know, it, it would only be in that example, if, if home values are increasing at 10% year over year, but incomes in general are only increasing at 3% per year. That's where you will eventually arrive at a breaking point, but we're not there yet. So, but here's, I don't see an interesting time,

Speaker 1 (10:26):

Personal, personal income. We just got that number, uh, this last week on Thursday, personal income Rose, are you ready? 10%.

Speaker 3 (10:35):

So, so values. Aren't going to slow down,

Speaker 1 (10:38):

No personal spending. Uh, also, uh, went up 2.4%. All right. Let's talk about the impact of rising rates on refinancing. When we come back, you're listening to the Accunet mortgage and Realty show on am six 20. WTMJ

Speaker 4 (10:54):

Getting you into the home of your dreams. Here's more of an accurate ed mortgage and Realty show with Brian Wickert on WTMJ. And not only that, we're always looking for ways to help improve your financial

Speaker 1 (11:08):

Situation, uh, with a low cost or no cost refi. In fact, uh, I had a call this week from a good friend and repeat customer. Uh, we helped them buy their condo, uh, which is not eligible for standard 30 year fixed rate financing. We talked a little bit about that last week. And so we put them into a three and a half percent, 10 year arm. I think it was last may. And so this one was, well, Hey, she a portfolio loan, right? Because he couldn't sell that loan to Fannie or Freddie. And the reason is because that condiment minium development isn't fully built yet and Fannie and Freddie don't like that. Um, so, so into the arm, they went but locked. The rates locked 10 years for crying out loud. Yeah. But the question was, Hey, should I be looking at refinancing? And so we ran the numbers and I said, yeah, you know what?

Speaker 1 (11:59):

I can do 3.125. And it's going to cost you a $769, including a new appraisal. I can pick up, you know, 600 bucks of your closing costs and on our new ten one arm. And, and then once, you know, the PR that was based on, let's say, Monday's raised for Tuesday, something like that. Then we get the new rate sheet, uh, pricing got a little worse. So the closing cost went up to 1,250 bucks. And, uh, I said, yeah, I still want to do it because it's going to save them a hundred, eight bucks a month. Okay. Okay. So he's gonna make it back. And then just by the way, I'm sitting there working on the paperwork yesterday and I think, well, wait a minute, he was waving escrows. He didn't want to ask her for taxes, which, uh, most lenders charge a fee for that to not estro. And, and with Reese near zero on his checking account, I said, Hey, you know, if he asks her for taxes, I can get that 500 bucks back for you. So he's doing that. And so we got the cost back down to seven 69, where our rates David in general, for those who may have thought that they missed the reef, Piper is the refi over David?

Speaker 3 ([13:01](13:01)):

No, the refi party. No, no, no. It's a happy hour. I don't know, torture your metaphor that you like, but the party is still going. So on a $250,000 loan with 25% equity and all the other rights stuff, particularly no second mortgage, you got floating out there acting and still do 2.9, 9% on a 30 year fixed. The APR is 3.04 and that's with 1800. That's a refi that's with $1,900 in, uh, cost, uh, that, which is in total for the appraisal title, you got to pay a Schnabel of points to get that trophy rate. Now at 2.99, uh, for that refinance, if you're purchasing to something you said before, because Freddie Mac, when they declare this week's rate, so on a purchase, you have improved pricing and cost. So 2.9, 9%, the APR is 3.02. That's just with $995 in London cost. Oh, so we're saving,

Speaker 1 ([14:02](14:02)):

We don't have to charge the 0.6 or $1,500 in points that the Freddie Mac survey was,

Speaker 3 ([14:09](14:09)):

Uh, supposedly. And then, and then, and then this week we sent out a, as we do a, uh, email newsletter to a lot of our past customers given the, uh, the two and a half reasons to pause before you might pay cash for that new house or, uh, or pay off your new mortgage. And that's because we've got a 15 year at two and a half percent with an APR of 2.54 with just $995 in cost two and a half percent, that is basically free money or nearly free money. So

Speaker 1 ([14:40](14:40)):

Well, and let's point out the, which we did in that little, um, I think we did in that news newsletter article, that when you take a 15 year at this lower rate, uh, 67% of your very first payment is going towards principal, right? So we often do this with retired folks who are attempted to pay cash for that second home and say, well, you know what, instead of putting on, you know, really depleting all your assets, how's about this, we'll give you a 15 year mortgage and then you'll be paying off a ton of the principal really quickly kind of like dollar cost averaging. If you will, instead of paying off your house all at once by paying cash, if you will, let's go with the 15 year and we'll still pay it out pretty quick, just not an all one fell swoop

Speaker 3 ([15:25](15:25)):

That's especially important. Uh, just because, uh, you know, money is more about emotion and psychology than actual finance on a, on a regular rate and term refinancing. It could do a zero cost a, uh, where acting at is picking up all of the costs of your refinance for the, the rate of 3.1, two, 5%, which is only one eighth higher than the much more attractive 2.9, 9%. And, and, and what we do all the time is the analysis. It's like, yeah, this might look not as lovely. Uh, but it, it makes more sense in terms of payback. So, and that's what our loan consultants do every day. They have that an analysis it's like, here's 2.99 here's 3.1 to five. How long do you think you're going to be in the house and take it from there? Um, which has way more emotion than money. Yeah.

Speaker 1 (16:23):

Yeah. We should, like you said, we should put a bag over the interest rate and just say, which one do you like better? This one with no cost or this one with lots of costs. All right. It's time for the news. And when we come back, I've got some numbers for you on actual inventory and the severe shortage thereof, along with more stories from the front lines of mortgage lending. Now it's time

Speaker 5 (16:42):

For the news. Don't just find a house, find your home. Here's more of an Accunet mortgage and Realty show with Brian Wickert on WTMJ.

Speaker 1 (17:00):

All right. Welcome back to the nineties. Okay. I love that guy. Um, anyway, so we were talking about a New York times story on the lack of inventory. I got an email this week from the son of a client. Who's about to embark on a first time home search. And his question was, I know you're not realtors Brian, but any update on the home buying market thoughts on the future, besides the one house that we wrote an offer on a few weeks ago, and didn't get it accepted. Um, my wife and I have practically seen zero inventory that suits our expectations. Hm. So, uh, I just thought I'll, I'll look in Milwaukee County homes between 100 and 300,000 on the multiple listing service of which I am a member. Um, there are 619 active listings on MLS. Okay. You want to, how many don't have offers on them?

Speaker 1 (17:51):

530 913 of the hundred and 79 homes priced between 100 and 300,000 and all of Milwaukee County, 103 of those without officer in the city of Milwaukee, only 10 of those listings, uh, without offers are in West Dallas, eight listings without offers between 100 and 300,000 in price, only eight without offers and TOSA two without offers and cut four in Greenfield, one in Brown deer, one in Glendale, you get the picture. Yeah, I think that Sub-Zero weather was kind of brutal on people wanting to list their homes for sale by my flash number for February. Um, you know, there's still time to list your house today, but if, you know, as of this morning, uh, listings were down 25% in February,

Speaker 3 (18:46):

That's the other, the other true thing. I mean, I know you, uh, you ran your numbers again, a hundred thousand to $300,000 listing price. You know, there aren't that many homes at that value in Whitefish Bay or Franklin or Wildwood TOSA, like to, to the idea of what do you think values keep rising? Well, yeah, I mean, but, but yes, it's, you may need to go higher, but that doesn't mean that someone's pre-approval might allow them to go higher. It doesn't mean that they want to choose to afford that much more house. I just think we are running up against affordability or, or is it really affordability because a lot of times when we're talking with a first-time home buyer or any home buyer for that, uh, for that matter, there's, um, there can be this gap between what can we approve you for, which is sometimes kind of funny and almost ridiculously large number.

Speaker 3 (19:47):

And then there's, what do you actually want to choose to afford, uh, in terms of monthly payment in terms of down payment. And so, you know, I, I know some, and we're going to tell a story maybe later in the show talking about, you might have to, uh, do some cost benefit analysis between, okay, honey, how much do we really want to be in Milwaukee County? Would we consider rock County or Ozaki County, you know, the Northern part of Rosanky County, or to be outside maybe within earshot of the downtown city center, because then not that there's more inventory per se, but the affordability might be,

Speaker 1 ([20:29](#)):

Oh, due to the property taxes, you're saying, yeah. Property tax portion.

Speaker 3 ([20:34](#)):

I mean, it's just, it's a true statement that a three bed, two bath bungalow in Jefferson County probably isn't gonna, uh, cost you as much as the same property in Wallatosa. Well,

Speaker 1 ([20:48](#)):

You know, and the whole, uh, uh, the work from home thing, that was another thing of the New York times article, you know, what's the certainty or uncertainty, can I, in fact go live in, uh, you know, Watertown because I'll never have to go to work again, or, you know, can I live in Jefferson County because I never have to go to the office again? Or is that fundamental gonna change? Uh, after the pandemic, you know, calms down a little bit. So lots of uncertainty, uh, in that regard, the other thing I wanted to point out about the rates going up, I think there is some genuine fear of inflation, uh, which is the enemy of interest rates. And that's because, you know, personal income is already up. Personal spending is up inflation. The most recent in inflation reading is at one and a half percent year over year.

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

Uh, but now we've got the $1.9 trillion, um, pandemic relief bill just passed the house yesterday and it's going to go out, uh, people like a married couple with two kids, they're going to get $5,600, $1,400 a piece, um, which might help people with the down payment, by the way, uh, cause that's tax-free money, but that's a lot of money sloshing around in the economy. Cause what do you think the government wants them to do with that? Spend it, spend it. Yeah. Yeah. And if they're spending it, that means prices, you know, there's going to be less goods and prices are probably going to go up, which is inflation. All right, why don't we come back? I've got a story. Uh, I don't want to tell about the client from Wisconsin who is now, now has an accepted offer down here in the Naples area. And we'll give you those details. When we come back, you're listening to the academic mortgage and Realty show on am six 20. WTMJ

Speaker 2 ([22:27](#)):

Getting you through all buying process. Welcome back to the Accunet Mortgage and Realty Show with Brian Wickert on WTMJ.

Speaker 1 ([22:39](#)):

You know, as a result of the pandemic, uh, people want a lot of people in the Midwest and elsewhere where it's cold had decided, you know what? I think I want to be somewhere warm. And so, uh, Florida and, and other Southern and Western States are experiencing big run-ups in population growth. And so one of our clients from Wisconsin where they have their primary residents decided, Hey, we want to buy in, in, uh, Southern Florida Naples area. And so they came down here shopping for puppies as I like to call it. And just like, if you shop for real puppies, you always come home with one. And so they were down here on puppy shopping, but it's, it's, it's, it's super competitive. Um, and so they were able to find a place for sale, uh, in a, um, development that's new construction and the interesting thing. And I think the reason why they re able to get this, the seller was asking a little over 800 and they're able to get it a little under 800. Uh, but the reason is it didn't have a pool. So in Florida, you know, if you're in that price range, your house better have a pool. And so this one didn't, which I think scared away a lot of, uh, buyers, but not our buyer because our buyer can afford to pay cash to have the pool put in after they close.

Speaker 3 (24:06):

Well, because of the pool is tens of thousands of dollars,

Speaker 1 (24:10):

Right. It's uh, 85 grand because they, I talked to them. Okay. Yeah. And then that includes a lot that includes that cage that goes over it and you know, the heater and all that stuff. So 80, 85 grand. Um, but you know, this a second home is a very successful business person. Um, and so they can afford to do that, but not everybody can right. Or wants to, because that's a level of hassle, right? A couple other things about, about this, you know, your typical, uh, offered a purchase in Wisconsin where we do most of our businesses say, Hey, I'm going to buy your house as long as it appraises out for the purchase price, as long as the home inspection is okay. And then we've got the idea of can the seller cure defects or not. And then the third thing is, as long as I can get a mortgage, well, in this particular case, we had just helped this customer refinance.

Speaker 1 (25:05):

And so I had all this up-to-date financials, but I, and so he's talking to me like, Hey, I think I want a pre-approval. And I said, Nope, you don't need one. You're going to be a cash buyer because you and they don't have the contingency in Florida's contract. Like they do in Wisconsin. I call it the show me the money contingency. So in Wisconsin, if you're ready to cash offer, the seller can say, show me that you have the money to be a cash buyer. Don't have to do that in Florida, even though this person does have the money. And so again, only after consulting with his mortgage doctor in this case, me, uh, that he write the cash offer because the unique thing in Florida is they have three different types of contracts that can be used. And one of them is called the as-is contract, which means I'm going to buy your house as is, but I have X number of days where I can cancel the contract for any reason, I don't need a valid excuse. I just have to tell you I'm not buying your house anymore. And so with that, and by the way, most agents, I don't think like that in Florida, because it allows, it's easy to blow up the deal. Yeah. The other two contracts force the parties to stay at the table. Um, at any rate for this very successful business person though, we've taken the approach because he, he is over 59 and a half that we're not using his business income to qualify. Why would that be David? Why would we, why would we avoid using somebody?

Speaker 3 (26:33):

Yeah, well being self-employed is the American dream. It, uh, has become, uh, a documentation headache in the mortgage lending.

Speaker 1 (26:45):

You're going to say nightmares since she went with the dream. I thought you're going to go with a night.

Speaker 3 (26:49):

I tried to soften my, I mean, if it's any indication, w you know, we want to say more harsh things about being self-employed, but this is a radio program. Uh, but if we can avoid it and for cleanliness and easiness, we're going to try to figure that out. And you did, in your example, on emphasizing his retirement age over self-employed redness. Right.

Speaker 1 (27:12):

All right. So we're going to tell you how we're going to make his purchase process qualifying easier from an income standpoint, but also the nettlesome details on the money he's going to need for closing. That's another thing you gotta make sure you do a good job on, we'll tell you those secrets. When we come back, you're listening to the academic mortgage and Realty show on the biggest stick of the state am six 20 WTMJ

Speaker 4 (27:35):

Welcome to Milwaukee from the annex wealth management studio. This is Newsradio. WTMJ helping you find a place to call home with The Accunet Mortgage and Realty show with Brian Wickert on WTMJ.

Speaker 1 (28:04):

We're talking about our health, uh, Wisconsin primary residence by their vacation home and in Southern Florida. And when it comes. The business owners, it's onerous to, uh, document the income. And, uh, we have to get a year-to-date profit and loss. We have to get a profit and loss for last year. If they haven't filed their taxes yet, we've got to get tax returns for both the business and personal. And then what we're really having to also do now is get business bank statements to prove that the revenue is on par with what we're showing in all the other financial statements. And it's a lot of documentation. The other thing is that what we're looking to prove is stability of income in this particular person's businesses, a little bit more project oriented. And so the income tends to be lumpier. It's not like steady Eddy every month, and that's a problem in today's code Academy. Um, the other thing that, that you were actually helping me out in this file and talking with him about David was the movement of money. So in the pre COVID, uh, world, if we could look, if we could point to a big pile of money, and it was 20% larger than what we really needed for the transaction, it was just like, good enough. We don't have to show that you sold those stocks to turn them into cash, to use for the down payment. So what did it, what do we have to do now?

Speaker 3 (29:17):

Well, so now we have to document the, the what'll end up being the transaction history. Okay. Here, it was in my brokerage account. Uh, here it is leaving my brokerage account here. It is arriving into my [inaudible] bank checking account. And then, and then, Hey, look, I have enough money helping that borrower then set up a wire transfer, the Florida title company, and, and, you know, although the documentation has gotten, um, we just have to do more. We can't just be like, look there. It is on a practical level, you know, being self-employed or anyone who's thinking about buying a second home, there are other things rattling around in your head with regards to the rest of your life as well. So I think what we emphasize is to talk that through, because it's not, you can't just move the money in like a 15 minute phone call from this financial institution through this financial institution, to the end title company being thoughtful about, okay, what timing, how long would those funds need to season? Hey, Oh, you're selling stocks and securities. Okay. Well, you're likely going to have to wait three days for those funds to settle. So like, if you're closing on a Friday for you to get started, right? If you're closing on a Friday, you can't just start liquidating and moving money on like Wednesday at 3:00 PM. It's having that thoughtful conversation at Bates. In other words, Speaker 1 ([30:47]):

I can't just do this all on your smartphone, you know, at the beginning, or be at the end and go, Oh yeah, I got this.

Speaker 3 ([30:54]):

You can. But, uh, that is a recipe for heartburn, I think, uh,

Speaker 1 ([31:01]):

Yeah. Home buying experience, especially, you know, we, we like to say, you want to have a thoughtful conversation. Yes. You can start out and you can actually go a long way with your rock solid, guaranteed. Pre-approval online. You can go on right now, 24 seven click on the blue button, put in, you punch in your income. You punch in your where's my down payment coming from. You're going to see your credit scores right away. Our computer system may actually approve your loan. Um, conditionally online to say, yeah, it looks like you got it, but let's have a conversation. Cause there are more details, uh, to this whole thing of, uh, buying a property, whether it's your first home or a vacation home, we want to then connect you with one of our professional loan consultants to be your guide, David,

Speaker 3 ([31:51]):

Because not just that, but I think we have to come back to this, a Florida second home buyer being of retirement age, you are advising them. Okay. Here's how we can create income from your retirement. Um,

Speaker 1 ([32:04]):

That's right. That's right. I forgot about that. That was kind of the lead in. We're going to use withdrawals from his IRA as a source of income. And so that's a mathematical computation to say, well, how much do you have to withdraw from your IRA? I call it the magic income box. It's like, Oh, you've got an IRA. We can create as much income as we want. As long as you have enough money because the monthly withdrawal has to be able to be sustained for 36 months. Now, David do, does the borrower need to continue taking that monthly withdrawal after they close on the mortgage?

Speaker 3 ([32:37]):

I always answered question. As after you close, it is no longer the purview of Accunet Mortgage underwriter as to whether or not you continue to take those funds on a monthly basis. That's a line

Speaker 1 ([32:51]):

We've got to have you. We got to verify you doing that one time. If it were to be a jumble loan, typically we have to have two months, two consecutive months of those withdrawals to say, yeah, you really are taking those, but this is going to be a regular Fannie Mae size loan. And so that's how we are going to avoid the pain of documenting his business.

Speaker 3 ([33:10]):

I was going to say the other important piece of advice, mortgage doctor, because this borrower did not try to buy a large home in Florida by himself, on his smartphone. You, whether or not they did this, but I think this is your handiwork. You said you want to get to the Fannie freebie limit. You do not want to do a jumbo loan. You need to be okay with having a large down payment so that we can get you to five 48 to 50. Cause that, cause that rule book will be friendlier for approval.

Speaker 1 (33:41):

That's right. Jumbo financing. What, when you're borrowing over five 50 is more meticulous and gnarly in many cases. All right. So the takeaways from today's show rates are up, but the they're not up so much that it's going to hurt too bad. And so don't delay though. If you're thinking about refinancing, click on the blue button today@econet.com, that's all we've got time for, for today's show. We'll be back again. Next week, you've been listening to the acronym, 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 that of the hosts or guests of academic mortgage and accurate Realty advisors and not WTMJ radio or good karma brands, Milwaukee LLC.