

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

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

Speaker 2 ([00:14](#)):

Welcome to the Acushnet mortgage and real to show getting you inside information on buying, selling, and financing your home with expert advice, but accurate mortgage and Realty. And now here's Brian and David Wicker's new Jan Realty show on Brian Wicker from majority owner vacuum up mortgage and

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

Accident Realty advisors along with son David, who is our chief client experience officer at banking and mortgage. If you've got a question or a comment you can call or text us on the accurate mortgage talk and text line, which is (855) 616-1620. Alright, David, you texted me with an article yesterday, uh, from the wall street journal that I happen to most notice myself and you call it a [inaudible] because we're going to be able to break it open and have a lot of candy, right? Is that the deal?

Speaker 3 ([01:06](#)):

Exactly a celebration,

Speaker 1 ([01:08](#)):

A celebration of so, uh, reporter Nicole Friedman, uh, and her editor put this headline on the article, us home prices pushed a record high slowing pace of purchases. And then the sub-headline is cost of existing properties up 19% in April from a year earlier, supply of homes remains limited. And then this was the opening paragraph. American's home buying frenzy is cooling off for the first time, since it heated up last year, as limited inventory and record high prices are excluding potential buyers. Existing home sales fell 2.7% in April from March to a seasonally adjusted rate of 5.85 million. According to national association realtors, the article then used a new word for my vocabulary. David, are you ready? Yes. For Tyrannus vertiginous V E R T I G I N O U S vertiginous any

Speaker 3 ([02:03](#)):

Ideas. It was like if I've got an extra flap of skin on my ear or something. Yeah. It's the vertiginous off of my ear lobe. The

Speaker 1 ([02:09](#)):

Vertiginous your low flap? Well, it means causing vertigo, especially by being extremely high or steep. So vertiginous home prices are very steep. So anyway, let's unpack, uh, this rather dour article. And I remember we kind of did this last week with sky high inflation.

Speaker 3 ([02:29](#)):

We've been, we've been, I don't want to say we've been working ourselves into a lather, but like we we've been pointing out. We've been doing a two year look back because we knew to look past the headline, but this journalist, unfortunately couldn't help, but, you know, grabbed for that bigger number of 19% or other

Speaker 1 ([02:48](#)):

It's she's, she's just reporting with the national association of realtors put out in their press release on Friday. So, you know, all right, so here's, let's crack open the hood just a little bit. The, uh, median price, uh, nationwide, according to the national association of realtors of which I am a card carrying member. So remember this is only sales facilitated by a real tour member of the NAR. Uh, it clocked in at \$341,600 for April sales. Now, does this record, this claim that that's a record high apply to our neck of the woods as Willard Scott used to say. And so I took a look, um, you know, cause really seeing that the median sales price is three 41, 600 is like saying the average temperature yesterday in the United States was, you know, 65 degrees. That's true. Well, it was different, you know, in green bay than it wasn't Phoenix, just like the median sales price. So here's the scoop, April, 2021. Was it the highest median sales price for the state of Wisconsin? Well, indeed it was according to the Wisconsin association of realtors, 235,000 was the median sales price, uh, in Wisconsin. And it was in fact an all time record. What about that price increase David at 19%? What do you think, do you think we're hotter or less hot?

Speaker 3 ([04:07](#)):

Um, uh, just slightly less hot because even the number you shared is, is two 35 that's superior and Racine and everywhere in between. That's still too broad. So

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

That's Eastover Shu, Wisconsin, you know, in, uh, as well as, you know, Madison. Yeah. Well, the answer is we are not as, and we're not nearly as rips Norton as the 19% national number. We clock in year over year at 9.9% statewide, but I like the way you're going. I like the way you're going as to, well, that's still too broad to add. Um, and then what about this home sales down wherever this was the other headline home sales are down 2.7% in April compared to March. What do you think Wisconsin is up down

Speaker 3 ([04:53](#)):

Or a flat I'm going to say flat

Speaker 1 ([04:57](#)):

Well, old contrair up, up way up 17.4%. That's way different than down 2.7.

Speaker 3 ([05:08](#)):

So wonky thing is when they always give the plus or minus on either side and like the headline I'm sure says, oh, down 2% nationwide. Yeah. But the plus or minus is probably 7% either way. Yeah. But don't let that get in the way.

Speaker 1 ([05:24](#)):

No, but this isn't as bad as census numbers, which is what you're thinking of. This is national association of realtor numbers. So it's a real count of closed sales reported by the MLS. So I think this is a much more highly reliable number. All right. We're coming up on the first break. When we come back, I'll just give you the quick update as you pointed out, David. Well, is the state number applicable to all of Wisconsin or might there be some variation, uh, from county to county? We'll quickly review that. And then though I do have some life stories of home buyers who are getting discouraged and we'll tell you why and what their plans are in situations are when we come back, you're listening to the accurate mortgage and Realty show on am six 20 w T M home

Speaker 2 ([06:13](#)):

Buying advice from [inaudible] no at best. This is the accurate mortgage and Realty show with Brian record on WTMJ. All right,

Speaker 1 ([06:24](#)):

We're back. And we're just talking about, Hey, how is the housing market in Wisconsin versus the nation? We learned that it's better. In some ways we had a big uptick in home sales in the state of Wisconsin in April compared to a shrinkage nationwide, yet our home prices are up about 10% to compare it to the, uh, most recent report number by the national association, realtors would said, home prices were up, oh, Whopper, 19%, sort of about half that level. So what about Southeastern Wisconsin, Milwaukee county, which is our most voluminous, um, county for, in terms of transactions, uh, did in fact card, the highest median sales price in its history at \$207,000 in the month of April, that is up 10%. And the number of home sales up 11% from a year ago. So I'd say that's, that's a good report card. Uh, despite a dearth, a paucity of listings, Waukesha county, second highest in terms of number of home sales in our five county Metro area.

Speaker 1 ([07:27](#)):

Was that the highest median sales price? Uh, oh no, no, no. We missed I'm sorry. No know. Anyway, the meeting. Okay. So the highest was actually in March the month earlier at three 75 five. So in April we slipped 9,200. So April wasn't the highest, but doggonit, March was, um, the median sales price is up 9.9% from a year ago, a number of sales, are you ready up a Whopper 25% from March, but what should you always ask about comparisons? Well, yeah, compared to what compared to March, which was a low number, it was March was an unusually low number, but still beat the pants off the national old sales are down 2.7 Washington county, which includes of course Westbend Slinger Jackson. Those types of towns, median price was up 12% from a year ago, clocking in at two 85, but that's well below the record high, uh, which was set in January at three oh two, 500, probably the law of small numbers there, right.

Speaker 1 ([08:29](#)):

Just a few sample in January. So it was easier to push the median higher and rounding up the five county Metro area, uh, Racine, oh no, I got two more Racine and Ozaki Racine home sales were only up 1.6%. There were four more homes that changed hands 254 in April versus March. The median price, however, was up a vertiginous 27% from April, 2020. Um, the last month median was 220,000 in Washington in Racine county, rather, which was 5,000 shy of the record. Lastly Ozaki county, David was the county seat of Ozaki port Washington. That is correct. And I drove past that yesterday on the way up to sister Beth's retirement party in Oconto falls. So I saw all the towns along 43 twice also includes McKewan Cedarburg Grafton Thiensville now check this out. There were only 114 closed sales in April. They are always the smallest number of sales of the five county area.

Speaker 1 ([09:32](#)):

And that compares by the way to Milwaukee county that had almost 1100 sales. So just to put that in people's minds, yeah. It's almost 10 times. Um, well that did in fact generate the highest median sales price on record for Xochi county at three 87, 514% higher than an April. And the number of sales was up a very healthy 16%. All right. So what is all that activity? Oh, by the way, Dane county, Madison Green bay, um, th those are the second and third largest Metro areas in Wisconsin, also up similarly, uh, you know, compared to the state as a whole. So we are doing better somehow, despite the slim Pickens of, um, of listings, which are getting snapped up in a hurry, uh, work clock and more sales, you know, every

month it seems like. So we'll have to see how many turns out. All right, when we come back, I've got a story about, I'm going to call it a pre discouraged home buyer who we connected with earlier last week, shout out the credit verified preapproval started talking about how to give appraisal wiggle room. And they found an absolutely darling as your mother would say, David, a two bedroom, one bath home listed for 210,000. We'll walk you through their thinking. Uh, as it unfolds in this market context, when we come back, you're listening to the academic mortgage and Realty show on Wisconsin's radio station am six 20. WTMJ

Speaker 2 ([11:06](#)):

Getting you into the home of your dreams. Here's more of an accurate ed mortgage and Realty show with Brian Wecker on WTMJ. I was just saying

Speaker 1 ([11:16](#)):

To David off here, I am ready to drive the fish. Now a separate club, you know, too much right now you have one of those delicious entrees press old fashioned for you. And you know what? I think I'd have a press with bourbon and especially if they could throw a little bacon in there that would really do it for me,

Speaker 3 ([11:35](#)):

Bacon with my grass, right. Baking is fine.

Speaker 1 ([11:36](#)):

It's the, uh, duct tape of the kitchen I've heard. Okay. So, uh, telling you about, uh, these buyers. Now, this is interesting. They have regained their first time home buyer status. They're semi-retired one person working, one person not, and, uh, in their early to mid sixties and seventies,

Speaker 3 ([11:57](#)):

Me and Mr. Chief honesty

Speaker 1 ([11:59](#)):

Officer, I'm glad you asked that the definition in mortgage lending of being a first time home buyers, that you haven't owned real property or a home in the last three years. And they sold their former primary residence five years ago. Okay. And so now they're coming back into it and they are in the eyes of the mortgage world. First time home buyers, David, let me turn the tables and ask you, what, what benefit do you accrue when you wear the badge of first time home buyer?

Speaker 3 ([12:26](#)):

You can for Fannie Mae and Freddie Mac put as little as 3% down on the purchase of your home being designated as a first-time home buyer, 3%, as opposed to 5%, if you're a repeat home buyers. Yeah.

Speaker 1 ([12:42](#)):

I move up buyer in or, or, or, or, or if you have owned real estate in the last three years. Okay. So the story here is they've got about \$18,000 in non-retirement savings. And then they've got about 62, five or something like that in a Roth IRA. So that's, what's available for down payment and what's the magic David of a Roth IRA. When you're over 59 and a half,

Speaker 3 ([13:08](#)):

You do not have to pay income tax upon removing that money from the special qualified account called a Roth IRA.

Speaker 4 ([13:18](#)):

You've already paid taxes on that.

Speaker 1 ([13:20](#)):

Now, given that fact though, you know, these people wisely, and we talked about this, you know, you don't really want to dip into that Roth IRA because that's your retirement savings, right? And so if we can find a way for them not to dip into the Roth IRA, that would be ideal. And yet what we can do, because we verified both is we can legitimately write a pre-approval letter that reflects the fact that they have this big chunk of extra money. So, you know, they they've came across a home this weekend, uh, listed for two 10. Now it's a two bedroom, one bath. So that's not going to appeal to everybody, right? Because if you've got kids or whatever, you might want to have more than one bathroom to more than two bedrooms, a hundred percent, but for a semi retired couple, it's perfect. And it is, I mean, darling, with a capital D I looked at an online, it is perfectly redone. Okay. But they're realizing in our prior discussions earlier this week, I was showing them how, Hey, you know what? You could get \$15,000 wiggle room, right? You could offer two 25. We can give you a pre-approval letter that reflects 20% down because I verified you have the money.

Speaker 3 ([14:39](#)):

Now, if you needed to, if

Speaker 1 ([14:41](#)):

You had to, you could put the 20% down, but then, you know, you could give them \$15,000 wiggle room and we could still finance you under those circumstances, without you bringing any more money to closing than you originally intended. Okay. But they, they were talking to their real estate agent and God bless this real estate agent for being honest and telling them, I don't think that \$15,000 wiggle room is gonna catch this,

Speaker 4 ([15:11](#)):

You know, prize.

Speaker 1 ([15:13](#)):

He said, I think it's going to be more like 25 or 30. And then probably, and I've heard this from multiple agents, David, no appraisal contingency and no inspection contingency. This is kind of what is winning the multiple offer deals. And you got to remember in this price range, who else are they going to be competing against besides cash?

Speaker 3 ([15:37](#)):

The number first thing that came to my mind was someone who's going to stroke a check of their own.

Speaker 1 ([15:43](#)):

And then don't forget, you have to prove that you have the money, but I'm thinking investors, right? Because I didn't do the cashflow on, well, I know that with 3% down and paying PMI, that payment would be 1271 on this particular property. Um, and so if you're paying cash, uh, as an investor and there are lots of we're attracting money from all around the country here to Southeastern Wisconsin, because in terms of charge

Speaker 3 ([16:15](#)):

For rent is, is gets you a good enough yield on the capital to work, to buy the property.

Speaker 1 ([16:22](#)):

I'll do the math on that. Maybe during the news upcoming and see if you paid cash, what kind of return on investment?

Speaker 3 ([16:28](#)):

Well, you were describing. And as we go to our break, they were, it sounds like a bridge too far. As you said before, we came to the segment, they are pre discouraged to not even try to throw their hat in the ring, which is a new phenomenon, maybe

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

A new phenomenon. And I talked to another potential home buyer, uh, about to have their third child. And like, we're just going to wait until next year was their comment. We're just going to wait until next year. Hopefully the frenzy will die down by then. They have the luxury of being in a very spacious duplex, so they don't need, they're not being forced to pull the trigger now. Alright. When we come back, uh, I've got a little bit more about this couple. Let's just quantify what it would take to probably write a winning offer. And I've got some good refinance stories right after the news. And now we hand it over to Jane madman.

Speaker 2 ([17:21](#)):

Don't break. Their bank, did get into a house back to the [inaudible] mortgage and Realty show with Brian Wichert on WTMJ our anchor for the newsroom,

Speaker 1 ([17:31](#)):

Going about a semi-retired couple looking to buy a home in the low two hundreds. And I use the term pre discouraged, uh, because their real estate agent rightfully advise them that at this darling, the home, you know, listed at two 10, somebody's probably going to pay 25, 30 grand more. And they're probably not going to write with an appraisal contingency or home inspection. And, you know, it's just dangerous. So by the way, this home was built in the twenties. Now I looked at the pictures online and it looked in perfect condition. The basement looked awesome, you know, but still to go without a home inspection is just really kind of sticking your neck out. Right. What if, what if the roof has five minutes of life, you know, left on it and stuff like that. But let's just say, so I, I just thought I'd run the numbers, even though they're kind of like, we, we're not even gonna write an offer.

Speaker 1 ([18:22](#)):

I did run the numbers and I emailed it to them and their agent. And so if they were to write with, um, remember the purchase price is two 10. And so if they wrote with at two 35, so \$25,000 over, and they

gave \$25,000 a wiggle room. So, Hey, I'll pay a 25 grand more, as long as it appraises out at your asking price of two 10, uh, their total money needed to buy so down payment plus closing costs. And prepaids, by the way, closing costs would only be 988 bucks on their 2.9, nine 30 or fixed rate loan. Well, the 3.2, five APR, they would need 30 grand to buy total money, everything soup to nuts. Yeah. And you know, I said they had 15, they had 18 grand of non-retirement money. Let's say they don't want to be penniless. And they use 15 grand of that.

Speaker 1 ([19:17](#)):

Well, they'd have to come out of pocket or not out of pocket. They'd have to dip into their Roth IRA for 15 grand sure. Door number. What I think is really going to take it or what it might take according to their agent is right for two 40, with a two 10 appraisal contingencies. So you're giving them 30 grand of appraisal wiggle room. Yes, I will pay you up to, and I will pay you two 40, as long as the house appraises for two 10, that would take \$40,000 out of pocket, new David with a nice red shirt on.

Speaker 3 ([19:50](#)):

So, so I think the opportunity cause what you've done and, and we have begun to do with customers is to lay out, okay, you write it to 40 and, but you give that 30,000 in wiggle room by D. And so it can come in as low as two 10. I think the other opportunity though, is, is for home buyers to also, how do I say this? You know, real estate agents have access to the same database that an appraiser would use to go pull comparable, uh, recent home sales. And so I think the, the, uh, the one, two punch would be okay, accurate. We're going to show the wiggle room and what that means for the money. You know, how much you got to bring. Yeah. We're going to

Speaker 1 ([20:34](#)):

Quantify because it's less possible than people imagine

Speaker 3 ([20:37](#)):

It's way less awful. But I think the other opportunity is, okay, well, w w not that anyone wants to pretend that they are a licensed appraiser, but while we kind have a lot of the same data. So do we think that it could, you know, where do we think it's going to land on that spectrum? Uh, because we can access the same comparables. I think that would be the one, two punch for somebody like this to not be pre discouraged. It's like, no, no, no, no, no, no. Look here. I have three, you know, same, uh, colonial two bedroom, one bath, exactly. Two 27 based upon, I think that would be, that would help, uh, a pre discouraged borrower, maybe cross the bridge. It was like, okay, you're more. Yeah. The

Speaker 1 ([21:25](#)):

One thing I would say that some real estate agents do though, is they pin their value on one sale, right? They say, well, this one sale sold for two 40. Well that ain't going to cut the mustard and appraiser world, because what you have to remember is that when it comes to appraising the appraiser, cancer's give you one comparable sale. They have to give us three, three. And the object of the game is to give us one above the sales price. So in this example to hit two 40, Hey, show us one that sold for two 41. And then also at least one below, that's called bracketing. And, and then you don't want the adjustments to do be too big either. All right. So speaking of appraisals, I want to tell you a story. When we come back about a many time client of ours, a friend of mine who got an accepted offer on a lake home in Manitowoc county, which I drove past yesterday, and it is not nearby, but it's also not horrifically far. So

I want to tell you about that lesson that came to light this week. When we come back, you're listening to the acronym, mortgage and Realty show on the biggest stick in the state am six 20, WTMJ

Speaker 2 ([22:44](#)):

Important home buying questions and answers you can count on. This is the accurate mortgage and Realty show with Brian Wichert on. WTMJ pretty sure that steely Dan there. Oh yeah. Do

Speaker 3 ([22:58](#)):

It at good. Hey, do you know, why do you want the biggest in the state names, David? I said that after they've got the TMJ has got the biggest reach, you can hear them all the way up to wherever you were yesterday. Exactly.

Speaker 1 ([23:11](#)):

I was listening to [inaudible] CMG on the entire ride on I 43 from Milwaukee up to Oak contour falls and, or my sister is having a retirement party. Congratulations, sister, Beth, and your retirement. And, um, yeah. So that's why we call it the biggest stick in the state. It's got the strongest signal. All right. So we're going to talk about my good friend and client who, uh, is now buying a second home. Uh, we helped them buy what was a second home at the time last year in Florida, which has now become his primary. And so now the lake home that he's going to buy in Manitowoc is going to be a second home. And David, what's the difference between primary, um, the residences and second homes these days when it comes to mortgage lending?

Speaker 3 ([24:00](#)):

Well, uh, you got to put a little bit more down and that's been true actually for some time, but now Fannie and Freddie have started to differentiate between the pricing on a primary versus a secondary, not in any drastic way, uh, but maybe like an eighth or a quarter different than a primary home, depending. I mean, also the big thing on that, that, uh, is loan size, which is also true primary, but that always helps. I'm going to say shrink what might be now a difference between a primary and a secondary rate.

Speaker 1 ([24:34](#)):

I'm going to say as a rule of thumb, that the, if I'm offering 2.99 and a primary residence, if you want the same closing costs, it's going to be three and a quarter on our vacation home. This is for loan amounts, \$548,250 or less, or to maintain that rate. You can pay 1% of the loan amount or one point to get the same rate as you would on a primary residence. All right. So this offer was crafted with a appraisal wiggle room. So it was a cash offer, right? Hey, I'm going to pay you cash. But remember that does not preclude the home buyer from obtaining a mortgage. In fact, the standard Wisconsin offered a purchase, requires the seller to provide access to a cash buyer, uh, for their lender to do an appraisal preprinted right in there. But then in terms of, uh, this prudent buyer said, Hey, I'll go ahead with this cash offer.

Speaker 1 ([25:29](#)):

And they got it below asking because it was a cash offer. And they said, ah, but I want to make sure the appraised value is no less is not off by more than 10% compared to what I'm offering you, you know, on this purchase price, I'm going to give you 10% wiggle room and the seller accepted this offer. So rather than the seller getting their own appraiser appraiser to do the property and we need one, um, we said,

well, we'll order it. Okay. And so we started searching for an appraiser in Manitowoc county to do this appraisal this past Monday. And we said, you got three weeks to do it. How many appraisers do you think it took this week before we got one to say, yes,

Speaker 3 ([26:16](#)):

I'm, I'm a, I'll say, I don't think the first one said yes. And I would be afraid. Is there a second, third or fourth appraiser up in Manitowoc county?

Speaker 1 ([26:25](#)):

Well, I was surprised to learn that there were six who said, no, no, thank you. And the reason why I think they said, no, thank you. Is lake properties are always more complex, right? Because the, this, the comparable sales are never really that similar. Right, right. Lake properties have agreed for all this shack, you know, sold and in this Taj Mahal, but on a crummy lot. So there's a lot more variability and you're probably going to get peppered by the lender with followup questions. Now we did offer a \$250 premium. We said, you know what, we'll pay you a seven oh seven 25 if you need it. Well, finally, we got somebody to say they would do it within the requested timeframe, but that did not come about until Friday of this week. So I'm relieved that we have somebody who's saying, yeah, I'll get you the appraisal report by, um, hopefully isn't it.

Speaker 1 ([27:22](#)):

It's not, you know, some rookie appraiser because it is going to be a tough assignment. And if you're the appraiser you're sitting there and saying, look, I can either do two cookie cutter deals in the city of Manitowoc and make, you know, \$800 or I could do this one really complex one. That's going to take me the same amount of time is to, and you know, we'll make four 75. So I get the economics, uh, that the, uh, appraiser's going through, but I'm relieved. So the moral of this story is if you're buying a property outside the Metro area, don't go with a 21 day appraisal contingency, which is what this offer hit. We need more time in, in door county, just as an example, I think it's five weeks. And, uh, you know, because there are just fewer appraisers up there. All right. So there's your word of caution on rural properties? When we come back, I've got a couple of good, uh, refinance examples from this last week and why it is still an excellent time to refi. You are listening to the acronym, mortgage and Realty show on Wisconsin's radio station am six 20 WTMJ WTMJ

Speaker 2 ([28:29](#)):

W2, 77 CV and w K T H D to Milwaukee from the annex wealth management studio. This is news radio WTMJ expert advice on buying a home. Here's more of the accurate mortgage and Realty show with Brian Wicker on WTMJ going with dire straits here again. So we have the yacht rock

Speaker 3 ([28:50](#)):

Come back, music. That's all we have. Yeah.

Speaker 2 ([28:52](#)):

That's appropriate for my age is probably killing you. But all right, there you go. All right. So, um,

Speaker 1 ([28:59](#)):

Want to tell you a good rebuy story here? This client contacted me originally back in like July of 2019 after purchasing his home, not with and not financing it with Acushnet, but he had a bug in his bonnet because he bought a home for eight 2,800, \$20,000 with 10% down. Now, interestingly, he wasn't paying PMI, which is something we did more often back in 2019, just because of the way that private mortgage insurance was priced. And this was a jumbo loan, 10% down with, um, no monthly PMI. So it was baked into the rate is, and I'll just pull it out. His current rate is four and a quarter. Okay. Okay. But he was bugged because his mortgage servicer was insisting on him, escrowing for taxes. So the original question was, Hey, I put, just put 10% down. And the doggone lender is requiring me to ask her for taxes.

Speaker 1 ([29:56](#)):

I hate that. I'm like too bad. Yeah. I don't have any option for you, you know, unless you want to break up that loan into a then conforming loan amount of five, 10, and a \$200,000 piggyback. Yeah. So I see the only way I could do it. All right. Well, he didn't want to do that. He wanted it all in one loan. So finally now almost two years later, um, you know, he reached out to me a couple of, let's say a month ago, Hey, you think it's time? And I well ask your real estate agent, uh, what she thinks the house would appraise part to your point that you just mentioned a couple segments ago, your real estate agent has access to all the same comparable sales. And so now it appears that we have a decent shot at, um, having the appraisal.

Speaker 1 ([30:44](#)):

Now, two years later, come in at such a level that his current loan balance would represent 80% or less. And that's the magic number for not escrowing for taxes. Uh, if you have less than 20% down, 99 out of a hundred mortgage servicers want you to ask her for taxes because unpaid property taxes become a lien against your home that is superior or jumps ahead of the mortgage. So the thinking is that, Hey, if you've got 20% equity, you're not going to let that happen. So go ahead and escrow on your own, if you have less than 20%, it's like, yeah, you're already a little more high risk. So you got to include your taxes. Now, check this out. If we are successful, uh, this homeowner will be able to snag a 3.37, 5% 30 year fixed jumble with little or no closing costs, loan costs, and his payment's going to be \$445 less per month.

Speaker 4 ([31:44](#)):

Whoa. Wow. Okay. That is bringing

Speaker 3 ([31:47](#)):

Some money to the closing table, you know, maybe to get down to us 80, you're going to make that back, you know, hurry. Yeah. So

Speaker 1 ([31:55](#)):

He's, you're, you're reading my mind there, David. Cause we talked about that. I said, you know, would you be willing to bring up to 10 grand? He says, that's exactly the number I was thinking is if I do this, if I still, so we're we're, the ball is rolling. We're soon going to find out, uh, the appraised value. Remember one other odd thing, folks, on a purchase transaction, the appraiser gets the copy of the offer to purchase, including the sales price. When you're doing a refi, you don't have that peg. You don't have that target to aim for. Now, the appraiser will see that this homeowner paid \$820,000 two years ago. And so basically, you know, I think we're hoping for nine hundreds, we're hoping for 80 grand, that's 5%

a year appreciation. That seems doable. You know, cause it's metropolitan area. So that's one example, but I think it's emblematic of people out there who bought their properties, uh, with less than 20% down in the last three or four years, we don't have to improve your rate to make a refi worthwhile. We just have to have enough equity either to eliminate the cost of the monthly private mortgage insurance altogether because Hey, Shizam now you have 20% equity. Remember I just told you at the beginning of the show, home prices are up about 10% in Wisconsin. Maybe your house is a 15 or if you bought two years ago, maybe it's something that you keep

Speaker 3 ([33:26](#)):

Bringing up down on it too. That's the win-win value rises and keep paying down. Yeah.

Speaker 1 ([33:31](#)):

So calling all people with private mortgage insurance, uh, now's the time to take

Speaker 3 ([33:36](#)):

A look. Yeah. The third component to your, to your formula though too is Hey three or four years ago. I mean, if cashflow is king also then maybe even if we can't lower your interest rate. Yeah. Just pulling you back out to 30, both higher value, same rate and stretching back out to 30. That's the trifecta even there. Okay. Cash flow, cash flow,

Speaker 1 ([33:58](#)):

Maximum payments, savings. Other people are more interested in paying the loan down faster. So if we eliminate your pain, your mind, maybe we can what's that?

Speaker 3 ([34:09](#)):

I said, those are called the us Midwesterners. Yeah. Yeah. Now

Speaker 1 ([34:13](#)):

I want to pay that down faster. And we got people like that because remember we can customize your loan term to any number of years between eight and 30. So sometimes what we do for people is, oh, we'll keep your payment the same. We're going to convert what you're paying towards PMI towards extra principal payments. And now we'll show you how many Gabs of dollars of interest you'll save over the life of the loan. So folks, if, if, uh, your homeowners, there's still time to click on the blue button and find out how much you can save with a low or no cost refi, just click on the blue button. And if you're in the market to shop, please put accurate mortgage on your home buying team. And let us do a rock-solid guaranteed. Pre-approval for you. The same website for both items, ACC you nat.com. That's all we got time for this week. See you here. Next week. 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.