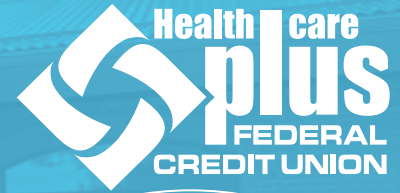




# ADVISOR

WINTER 2016



## 36<sup>th</sup> Annual Meeting Scheduled

Healthcare Plus Federal Credit Union has scheduled their 36th Annual Meeting for Friday, April 22, at the Dakota Event Center in Aberdeen, South Dakota. The doors will open at 6:00 PM for registration and social hour. Dinner and the meeting will begin at 6:30 PM. Tickets will go on sale Tuesday, March 1. Advanced tickets are \$10.00 until Monday, April 18. If tickets remain after this date, the price will increase to \$20.00. Get your tickets early! You don't want to miss it!



### Holiday Closings

Healthcare Plus Federal Credit Union will be closed for the following holidays:

- Martin Luther King Day  
January 18, 2016 | Closed
- Presidents Day  
February 15, 2016 | Closed

### Need 24 - hour access to your account?

- Try Internet Banking at [www.hcpfcu.coop](http://www.hcpfcu.coop)
- Sign up for Mobiliti at [www.hcpfcu.coop/GoMobile](http://www.hcpfcu.coop/GoMobile)
- Voice Teller at 605.725.0888

### Need Cash?

Visit one or more than 55,000 surcharge-free ATM's. Go to [www.hcpfcu.coop](http://www.hcpfcu.coop) for locations.



**For Educators:** HCPFCU recognizes the need for financial assistance for educators in the school systems throughout Brown County. A \$500 scholarship will be awarded to a deserving educator and his or her school to help promote financial literacy among students (\$250 will be awarded to the educator and \$250 will be awarded to the school).

**Information:** Applicants must be current members of Healthcare Plus FCU in good standing. Applications are available on our website at [www.hcpfcu.coop](http://www.hcpfcu.coop) (click on "Press Room"). The application deadline is Tuesday,

March 1. The winners will be recognized at our 36th Annual Meeting on Friday, April 22.

**For Students:** Healthcare Plus FCU will be awarding three \$500 scholarships to students seeking higher education. High school seniors and post-secondary students are encouraged to apply using one of two submissions—traditional essay or a 60-second video.

# Home Loans 101:

## What you need to Qualify for a Mortgage Today!

Most people know about the many benefits and rewards of becoming a homeowner. What most don't know is what it takes to qualify to buy a house. Now more than ever, there is a lot of confusion about getting qualified for a mortgage. It's common to hear people say, "I heard banks aren't lending money right now" or "I heard you need to have 20 percent down to get a mortgage these days." This is now all true.

While mortgage underwriters look at a lot of different information to determine whether you'll qualify for a mortgage, ultimately, it comes down to four things: credit, equity, income and assets.

### Credit:

Your credit is one of the most important things that will be considered when determining if you qualify for a home loan. Your credit history is how a lender will judge the likelihood that you'll pay them back the money they lend you. To do this, a lender will look at the length of your credit history, how reliably you've paid on your loan accounts and if you're maxed out on credit cards or loans. These are also the factors that determine your credit rating or credit score. Your credit score will be used to qualify you for a mortgage and will often determine the interest rate you will be offered.

In addition to your credit score, lenders will look at items on your credit report. They'll want to see that you've had accounts open for at least a year and that you don't have any large outstanding collections or judgments against you. If you have collections or judgments on your credit report, you will usually have to take care of those first before you can get financing.

### Equity / Down Payment

#### Buying a Home:

The minimum required down payment when buying a primary home is typically 3.5 percent of the sales price, which will allow you to get an FHA loan – but there is also a 0 percent down Rural Development loan, these are great for home buyers who can't come up with a huge down payment. FHA loans also don't penalize you with a higher interest rate if you have less-than-perfect credit. Another option is a conventional mortgage. Conventional loans typically require 5 percent down depending on the lender.

#### Income vs. Debts:

Another factor looked at by lenders is your debt-to-income ratio (DTI). This is simply your fixed expenses with the new mortgage compared to your gross monthly income (income before taxes are taken out). Lenders typically want to see someone spending less than 45 percent, depending on the loan program, of their gross monthly income on these fixed expenses, which include your mortgage payment, property taxes, association dues, home owners insurance, car loans, student loans,

credit cards and any other fixed payments that would show up on your credit report. Variable expenses like utilities, phone and cable are not included in your DTI.

Lenders also want to see a good employment history and will verify your past two years of work. It's much more difficult to qualify for a mortgage if you don't work a typical "nine to five" job, are part-time or self-employed.

#### Assets:

Lenders also verify that the funds you will use for your down payment are in a liquid account, like a checking account or savings account.

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In sum, there are many different factors that go into qualifying for a home loan. If you have any further question feel free to contact CJ Huber at [cjhuber@hcpfcu.coop](mailto:cjhuber@hcpfcu.coop) or call 605-725-0900.

## Financial Snapshot

November 2015

Members	5,033
Shares	\$41,959,000
Loans	\$43,090,000
Assets	\$47,437,000

## Christmas Comes Every Year

Was your holiday season full of spending? Was it a shock to your finances? Prepare yourself for next year by opening a Christmas Club account in 2016. By setting up a weekly, bi-weekly or monthly deposit into your Christmas Club account you can make saving easy and it's cost effective! Christmas Club accounts receive a higher interest rate\* on the first \$5,000!

*\*Rate for \$25 - \$4999.99 is 1.0% and rates for \$5000 + is 0.10%. Funds are available Nov. 1. Penalty applies for early withdrawal. Effective as of Dec. 15, 2015.*

## Loan Application Fee

This fee will be changing to \$25 effective 1-1-16. The fee is charged with each loan advance on all loans that are not lines of credit. Please contact your loan officer if you have any questions.

# IMPORTANT ANNOUNCEMENT

This is an important announcement for all previous SODES Federal Credit Union Members. Make sure to use Healthcare Plus Federal Credit Union routing numbers when doing web and phone transactions. If you do not yet have Healthcare Plus Federal Credit Union checks, please contact us as soon as possible! If you have further questions you can contact us at 605-725-0900 or stop in to 203 S Dakota St.

## Are you on Facebook & Twitter?

So is Healthcare Plus FCU!

"Like" us

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"Follow" us

 @hcp\_fcw

