

# State Department Federal Credit Union

## Topics of Interest

### Are Your Mortgage Payments Causing You Pain Every Month? We Can Help!

You'll find that we offer a wide range of mortgage options and some of the lowest rates you'll find anywhere! We've just lowered the rates on all of our Adjustable Rate Mortgages (ARMs), and balloon mortgages, by 1/4 %. With this type of mortgage, you will enjoy lower initial interest rates.

#### Shopping around? Bring us your best offer, and we'll make you a better one\*!

The first step to your new home is to get pre-qualified or pre-approved. In the world of real estate, the terms "pre-qualification" and "pre-approval" are often used interchangeably. But they have different meanings.

**What is a pre-qualification?** A pre-qualification is an estimate of how much you can afford in a mortgage payment. It is based upon the information you provide, and is subject to the approval process, including further details such as a credit report, appraisal, and income verification. The information you provide won't be verified as part of the pre-qualification process.

**What is a pre-approval\*\*?** A pre-approval is a firmer commitment on behalf of SDFCU and is a more formal process which includes a credit check and even an employment verification. During a pre-approval we do all the work of a full approval except for the appraisal and title search. A credit report will be obtained to verify your monthly payments on installment loans and credit cards, and to check whether you have a history of making your payments on time. You will also need to provide paystubs and W-2 forms (or tax returns if you are self-employed), plus statements from savings and investment accounts to verify your assets. If you've been pre-approved for a loan, you can shop for a house with more certainty and less anxiety because you won't be going through the whole process worrying about your mortgage approval.

If you are ready to take the next step on home ownership, visit our [Mortgage Center](#). You can read about all of the mortgage options available, check rates, and even apply online.

\* In order to offer you a different mortgage rate, we must have a copy of the Truth In Lending Disclosure from another lender listing the mortgage rate.

\*\*Pre-Approvals require a \$100 fee which will be applied toward your closing costs.