

HOME LOANS FOR SCHOOL EMPLOYEES

Review our most commonly asked home loan questions to find out if you are prepared to begin your mortgage journey.



MORTGAGES

Types of Mortgages we offer

- 100% Educator Mortgage - \$0 down, no PMI
- 103% Educator Mortgage - \$0 down, no PMI, roll in up to 3% of closing costs
- First Time Home Buyers - 3% down
- Previous Homeowners - 5% down if you've owned a home in the last 3 years
- Limited Down - 5% down with no PMI required
- Conventional Mortgage - Down payment, lower rate, PMI
- Secondary/Vacation Home - 10% down
- Investment/Rental Property - 20% down
- Land Loan - 20% down (maximum 15-year term)
- Rate/Term Refinance - To lower your rate, term, or payment
- Cash Out Refinance - Borrow the equity from your home
- Home Equity Loan - Borrow the equity from your home (smaller balances and 2nd liens)

ARE YOU PREPARED TO GET A MORTGAGE?

How much home can you afford/monthly payment?

To begin, you need to determine how much home you can afford. Make sure you consider insurance and property taxes in your monthly payment. There are many online calculators on our website that can help you figure out your exact budget. Once you know how much home you can afford, our team can work with you to get pre-approved and you can start house shopping.

Down Payment

You may be required to pay a percentage of the home's value at closing. If you qualify for our Educator Mortgage, there is no down payment required. If you do not qualify for our Educator Mortgage and are a first-time home buyer, you will need to put at least 3% down. If this is not your first time buying a home, you will need to put at least 5% down. Investment properties and land loans require at least a 20% down payment.

Credit Score

GCEFCU only finances conventional loans which requires a credit score minimum of 620 or higher. Educator Mortgages, while still conventional, require a credit score of 680 or higher. If your score is lower than this we recommend you seek out FHA financing options or contact one of our loan officers to better understand how you can get to the credit score requirements.

Debt to Income Ratio (DTI)

Any debt that is reported on your credit report, such as credit cards, student loans, and installment loans, is calculated in your DTI. Student loan monthly payments are calculated at 1% of the total amount, unless you already have a repayment plan in place. The maximum DTI allowed is 45%. To calculate this, add up your minimum monthly payments and divide by your gross monthly income.

Closing Costs

Closing costs and prepaid items (property taxes and homeowner's insurance) apply to every loan. These costs may add up to around 4% of the property's sales price. Members can use their own verifiable funds, use gifted funds from a qualified donor (such as a relative, with supporting documents to verify funds) and/or seller credits are accepted (if applicable) to help a buyer minimize these costs. We require 2 months of bank statements at the time of application.

LEARN MORE ONLINE

Learn more about GCEFCU's mortgage loans and the home buying process by visiting us online at www.gcefcu.org/real-estate-loans/ or by scanning the QR code to the right.



DOCUMENTS

What you'll need to get started:

- 1 month of most recent paystubs
- Child support order + 6 months history (if applicable)
- Student Loan Repayment Agreement (if applicable)
- W2 forms from last two years
- Income Tax Returns from last two years
- 2 months of most recent bank statements from any financial institution you will be using funds from, to cover your down payment and closing costs funds associated with a home purchase (if different than GCEFCU)
- 2 unexpired government issued forms of ID, such as a DL and SS card, or Passport
- For any properties you own: mortgage statement, insurance, taxes

HOW TO APPLY FOR A MORTGAGE

Step 1: Are you already a GCEFCU member?

If so, great! You can skip to the next step. If not, you will need to verify that you qualify for membership with GCEFCU. Check your eligibility by visiting www.gcefcu.org/eligibility/.

Step 2: Submit an application

You can submit a mortgage loan application online by scanning the QR code above or by visiting www.gcefcu.org/real-estate-loans/.

Step 3: Submit your documents

Send all of your supporting documents (shown to the left) to your loan officer.

Step 4: Application Review

Our team will review your full application, along with your credit history, credit scores, employment, income, funds available to cover a down payment, and closing costs.

Step 5: Approval

Once your application has been reviewed, we will contact you to let you know if you are approved or if there are any additional steps you need to take.

To apply for a Educator Mortgage Loan, at least one applicant must be a current teacher or school employee for at least 2 consecutive years in a Texas school district. All applicants must have a credit score of 680 or higher and a 45% debt-to-income limit. Applicants may finance up to 103% LTV. Additional 3% is to be utilized for closing costs only - No cash back and no "coverage" for a lower appraised home permitted. This program is intended for primary residences within the state of Texas only, not vacation homes or investment properties. Other conditions may apply. A land loan of \$50,000 for 5 years at 6.99% Annual Percentage Rate will have a monthly payment of \$990.00. Actual rates may vary based on credit qualifications. Rates are subject to change at any time. NMLS#403220. 07/22

