

MAKE
BEMIDJI
home



MEMBER FDIC
**FIRST NATIONAL
BANK BEMIDJI**

Better together.

**Mortgage
Products**



COMMUNITY SUCCESS *first*

Whether you're buying your first house, building one or getting a summer home, we're here to help you reach success. With every lending decision, we're thinking about the future of this community and the continued growth of the Bemidji area.

- Mortgages are approved locally
- Handled by the local experts you trust
- We'll support you every step of the way

WHAT'S YOUR GOAL?



I want to buy my first home.

You're renting or living with someone else but you're ready to take the next step and become a homeowner.

- Fixed loan
- ARM
- VA loan
- USDA loan



I want to build a new home.

Whether it's your first home, or you're already an owner, building a house offers exciting options.

- Construction loan
- Home equity loan
- Fixed loan
- Bridge loan



I want to move or buy a second property.

Maybe your growing family needs an upgrade, or you're looking to relocate. Perhaps you want to buy a summer cabin or invest in a fixer upper.

- Fixed loan
- Bridge loan
- Home equity loan



I want to refinance or make home improvements.

Refinancing could help you save money with a better rate. Making home improvements are a good way to boost the value of your home.

- Mortgage refinance
- Home equity loan

WHICH LOAN FITS YOUR GOAL?

FIXED LOAN

- Most common type of mortgage
- Single interest rate from start to finish
- Make down payment then pay installments for 15-30 years

BRIDGE LOAN

- Move to a new home before selling yours
- Alternative to a home equity loan

VA LOAN

- Backed by Department of Veterans Affairs
- Available to veterans, sometimes spouses of deceased vets
- No down payment, other terms vary

ARM

(Adjustable Rate Mortgage)

- Interest rate changes based on economy
- Monthly payments change
- Rates trending up over the last few years

HOME EQUITY LOAN

- Equity is portion of your home you truly "own"
- Used as security for other large purchases
- Also known as a second mortgage

USDA LOAN

- Issued by Department of Agriculture
- Available in rural and some suburban areas
- No down payment

CONSTRUCTION LOAN

- Money paid out in stages during construction
- Work verified by inspector before funds released
- You only pay interest on outstanding balance

REFINANCING YOUR MORTGAGE

- Replacing your current mortgage with a new one
- Can reduce monthly payments or interest rate
- Similar process to applying for first mortgage



MORTGAGE APPLICATION CHECKLIST

This simple checklist will help you prepare for the loan process. Having these documents ready will ensure a fast and straightforward application process.

- Tax returns and W2's from the last two years
- Original copies of your last two pay slips
- Copies of your last two bank statements
- Copies of IDs for each borrower
- Name and address of all landlords and/or mortgage holders for the past two years
- Original purchase agreement
- Copy of Earnest Money check
- Notarized Gift Letter (if you are getting help with payment)
- Copy of current homeowner insurance policy
- Copy of current property tax statement



STEPS TO BUYING YOUR FIRST HOME

1. Know the basics

There are many terms that can be confusing. We can walk you through the essentials - everything from amortization to underwriting.

2. What's affordable

Here's a good rule of thumb: Your monthly payments should be at or below 28% of your gross monthly income. For example, if your income is \$5,000 per month, you should plan for monthly payments of \$1,400 or less.

3. Pick your mortgage type

Figure out which loan best fits your situation.

4. Down payment

A down payment of 20% or more means you won't have to get private mortgage insurance (PMI). Down payments of 5% or less are possible but can mean higher interest rates.

5. Get pre-approval

Get pre-approved and you're cleared for a maximum loan amount.

6. Points vs. interest rate

Points are percentages of your loan. If your loan is \$200,000, one point is \$2,000. At closing, you can choose to:

- Pay points for a lower interest rate
- Do a zero point loan and get the market interest rate
- Have the lender pay points to you

7. Close on a house and loan

Closing costs usually range from 2%-5% of the home's value. This includes origination costs, underwriting, taxes and more.

notes



Bemidji, MN 56619 | www.fnbbemidji.com/mortgage

MAIN BANK

1600 Paul Bunyan Drive NW
218-751-2430
M-F 8:30 a.m. - 5 p.m.
SAT 8:30 a.m. - noon

SOUTH BANK

607 Washington Avenue S
218-333-4396
M-F 8:30 a.m. - 6 p.m.
SAT 8:30 a.m. - noon

DRIVE-UP HOURS (all banks)

M-F 8:30 a.m. - 6 p.m.
SAT 8:30 a.m. - noon