

March 2022 Issue

Community News

Mortgage Refinance Checklist

If you are a homeowner looking to reduce the cost of your mortgage, refinancing may be a good option.

A mortgage refinance may allow you to lock in a lower interest rate, which would reduce your monthly payments. Alternatively, refinancing could mean switching to a shorter term mortgage. Shorter mortgages often cost more each month but lead to savings on interest in the long run.

Set a refinancing goal

Most homeowners refinance in order to get a lower interest rate and, as a result, reduce their monthly payments. However, different loan types offer different advantages.

You may want to switch from an adjustable-rate mortgage to a fixed-rate mortgage to guarantee a permanently lower rate. Maybe you want to switch from a 30-year loan to a 15-year loan to pay off your mortgage faster.

Perhaps you've recently run up against major medical bills, unexpected home repairs or other expenses that are weighing you down financially. If you've built up enough equity in your home, a cash-out refi will not only let you refinance your loan but also take out extra cash.

Knowing what you want to accomplish with a refi will help you determine the type of mortgage product you need. Consider all the options to see which works best for you.

If you would like to discuss your options with our experienced Mortgage team, visit westerlyccu.com/mortgages

Check your home equity

To get an estimate of your home equity, subtract your current mortgage loan balance from your home's current market value. The result will be your home equity. Most Lenders prefer you to have at least 20% equity to qualify for a conventional refi loan.

Check your credit score and credit report

Before making any loan decisions, it's important to check your credit score, as well as your credit report. Your credit score will in large part determine how favorable a rate a lender will offer.

You should also be aware that applying for credit cards, personal or auto loans just before, at the same time, or just after applying for a refi will lower your score, albeit temporarily.

If you have a low score, WCCU can help you look for ways to improve your credit score and find any errors before applying for a loan. **Visit westerlyccu.com/review to get started with a Free Credit Report Review.**

Do the math to see if refinancing will pay off

Before applying for a refi, make sure you understand the costs associated with a new loan. A traditional refi closing costs

If you're considering a refinance, keep in mind that closing takes time. Follow these steps to begin the process. The sooner you start, the greater the benefit.

typically run between 2% and 5% of the total loan amount. For a refi to make sense, you have to be able to recover these closing costs, as well as save money over the long term.

To determine if it's worthwhile, you'll need to calculate your break-even point by dividing the closing costs of the loan by the amount of money you save every month.

Visit westerlyccu.com/MortgageRefiCalc and use our Mortgage Refinance Calculator to figure out if a refi is right for you.

Get your mortgage paperwork in order

You need a lot of documentation that proves your financial readiness to refinance, and doing so ahead of time will make the application process a lot smoother.

The documents you should have handy include your latest pay stubs, the last two years of W-2s, information about your current home loan, as well as information on property taxes and home insurance.

If you're self-employed or have a non-traditional job, have two years of bank statements available. You may also need a profit and loss statement from your bank, the last two years of 1099 forms and client invoices as proof of income.

Lock in your rate

A rate lock will ideally guarantee that your interest rate won't increase before closing. Consult your lender to find out how long they typically take to close, then lock the rate for that time frame.

Are You Looking to REFINANCE?



Lower your payment & shorten your term with WCCU's **Refi Home Loan!**

NO Points Closing Costs Application Fees* & a Low Fixed Rate!

Visit westerlyccu.com/refi for details!



*Visit westerlyccu.com for current rates and disclosures. Owner occupied only. Minimum loan amount is \$10,000. Maximum loan amount is \$350,000. Not available for New Purchases. Maximum loan-to-value 80%. Flood insurance may be required. Property insurance is required. Requires First Lien Position. A termination fee not to exceed the lesser of \$500 or 2% of the loan amount will apply for loans terminated within two years of origination date. Recording, trust review, and advisory fees apply where applicable. Other restrictions may apply. WCCU NMLS ID # 518892.

What's New at WCCU!

WCCU to Donate \$75,000 to WRHS

#WCCUCares: To support the growing demand for high-quality, broad-based services, WCCU is proudly donating \$75,000 to Wood River Health Services (WRHS).

This donation will help develop a new addition at their main campus in Hope Valley to meet the growing demand for high-quality, broad-based services.

"Helping our members and local community is a main focus for us, and we want to make a positive impact by actively being involved with the communities we serve," stated Stephen White, President/CEO of Westerly Community Credit Union.



Pictured left to right: William Quirk, WCCU Donations Committee Chair; Alison L. Croak President & CEO of Wood River Health Services; Stephen White, WCCU President & CEO.

Welcome to #TeamWCCU

Brendan LaPrey has joined WCCU as Financial Service Manager of the Wakefield Branch. He has over 11 years of experience in the banking industry. Brendan is responsible for overseeing all branch operations, staffing and helping our members with their financial needs.



Visit westerlyccu.com/news to learn more!

WCCU's Mortgage Team Welcomes Northup

Stephanie Northup has taken on a new opportunity as Mortgage Originator, serving Burrillville, Coventry, East Greenwich, Foster, Gloucester, Scituate, West Greenwich, and West Warwick areas. She has been with WCCU since 2003, most recently serving as a Financial Services Manager.



Congratulations on your new position!

Complimentary Virtual Seminars

WCCU members have unlimited access to complimentary seminars covering a variety of topics to increase financial awareness. Below is a schedule of upcoming topics:

Tuesday, Mar. 8: Rollover Planning

Tuesday, Mar. 22: The Three Transitions to Retirement

Tuesday, April 5: How to Weather a Bear Market

Register at westerlyccu.com/seminars

Dates to Remember

Monday, March 28: WCCU Virtual Annual Meeting

- Register at westerlyccu.com/annualmeeting

**Last chance to
turn the everyday into
the unexpected!**

Use your WCCU Debit Mastercard® now through 3/31/22 for a chance to win a statement credit up to

\$15,000!*

***Visit westerlyccu.com/debit-sweepstakes for complete contest details!**

*NO PURCHASE NECESSARY. Void where prohibited. Existing Mastercard cardholders who are legal residents of the 50 U.S. or DC, and legal age of majority before 6/1/21. PIN-based debit, international & corporate transactions ineligible. Ends 8/31/21. Visit us online or ask a member service representative for Official Rules & complete details. Mastercard and the circles design are registered trademarks of Mastercard International Incorporated.

**Westerly
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