

GlobalTrust Bank Mortgage Products 2024

Product Overview

GlobalTrust Bank is committed to helping you achieve your homeownership dreams with our comprehensive suite of mortgage products. Whether you're purchasing your first home, upgrading to a larger property, or investing in real estate, we offer competitive rates and flexible terms tailored to your financial goals.

Our experienced loan officers will guide you through every step of the process, from pre-approval to closing, ensuring a smooth and transparent experience. We pride ourselves on our personalized service and commitment to finding the right mortgage solution for your unique situation.

Current Mortgage Rates

Fixed-Rate Mortgages

Fixed-rate mortgages provide stability and predictability, with interest rates that remain constant throughout the life of the loan. This option is ideal for borrowers who prefer consistent monthly payments and protection against rising interest rates.

Product Type	Term	Interest Rate	APR	Minimum Down Payment	Points	Loan Limit
Fixed-Rate Mortgage	30-Year	6.125%	6.275%	3%	0.5	\$726,200
Fixed-Rate Mortgage	15-Year	5.750%	5.920%	5%	0.625	\$1,089,300

Key Benefits:

- Payment Stability:** Your principal and interest payments remain unchanged for the entire loan term
- Budgeting Ease:** No surprises with monthly payments, making financial planning straightforward
- Rate Protection:** Lock in today's rates, regardless of future market fluctuations
- Early Payoff Options:** No prepayment penalties on most fixed-rate loans

Adjustable-Rate Mortgages (ARMs)

Adjustable-rate mortgages offer lower initial interest rates compared to fixed-rate options, making them attractive for borrowers who plan to sell or refinance before the initial fixed period ends.

Product Type	Term	Interest Rate	APR	Minimum Down Payment	Points	Loan Limit
5/1 ARM	30-Year	5.875%	6.125%	5%	0.5	\$726,200
7/1 ARM	30-Year	6.000%	6.250%	5%	0.5	\$1,089,300
10/1 ARM	30-Year	6.125%	6.375%	10%	0.625	\$1,500,000

Important Considerations:

- **Initial Fixed Period:** The number of years your rate remains fixed before adjustments begin
- **Adjustment Caps:** Limits on how much your rate can change at each adjustment period
- **Index and Margin:** Your rate adjusts based on a market index plus a fixed margin
- **Payment Shock:** Be prepared for potential payment increases after the initial period

Government-Backed Loans

FHA Loans

FHA loans are insured by the Federal Housing Administration and are designed to help borrowers with lower credit scores or smaller down payments qualify for homeownership.

Product Type	Term	Interest Rate	APR	Minimum Down Payment	Points	Loan Limit
FHA Loan	30-Year	6.250%	6.450%	3.5%	1.0	\$472,030

FHA Loan Features:

- **Lower Credit Requirements:** Minimum credit score of 580 with 3.5% down, or 500 with 10% down
- **Mortgage Insurance:** Both upfront and annual mortgage insurance premiums required
- **Gift Funds:** Down payment can be entirely from gift funds from family members
- **Debt-to-Income Flexibility:** Higher DTI ratios may be considered with compensating factors

VA Loans

VA loans are available to eligible veterans, active-duty service members, and surviving spouses. These loans are guaranteed by the Department of Veterans Affairs and offer significant benefits.

VA Loan Benefits:

- **No Down Payment:** 100% financing available for qualified borrowers
- **No PMI:** No private mortgage insurance required
- **Competitive Rates:** Typically lower rates than conventional loans

- **Funding Fee:** One-time fee that can be financed into the loan
- **Flexible Underwriting:** More lenient credit and income requirements

Jumbo Loans

Jumbo loans are designed for borrowers purchasing higher-priced properties that exceed conventional loan limits. These loans typically have stricter underwriting requirements.

Product Type	Term	Interest Rate	APR	Minimum Down Payment	Points	Loan Limit
Jumbo Loan	30-Year	6.375%	6.550%	20%	0.75	\$2,000,000

Jumbo Loan Requirements:

- **Higher Credit Scores:** Minimum credit score of 700 typically required
- **Larger Down Payment:** At least 20% down payment in most cases
- **Reserve Requirements:** 12 months of PITI reserves typically required
- **Strict DTI Ratios:** Lower debt-to-income ratios than conventional loans
- **Full Documentation:** Extensive income and asset verification required

Eligibility Requirements

Credit Score Guidelines

Your credit score is one of the most important factors in determining your mortgage eligibility and interest rate. Here's how different loan programs typically view credit scores:

Loan Program	Minimum Credit Score	Preferred Score Range
Conventional	620	740+ for best rates
FHA	580 (3.5% down)	620+ for better terms
VA	620	660+ for optimal pricing
Jumbo	700	740+ for best rates

Improving Your Credit Score:

- Pay all bills on time
- Keep credit card balances low
- Avoid opening new credit accounts before applying
- Check your credit report for errors
- Maintain a mix of credit types

Debt-to-Income Ratio (DTI)

Your DTI ratio compares your monthly debt payments to your gross monthly income. Lenders use this ratio to assess your ability to manage monthly mortgage payments.

Loan Program	Maximum DTI Ratio	Front-End Ratio
Conventional	45%	28%
FHA	50%	31%
VA	41%	N/A
Jumbo	43%	28%

Calculating Your DTI:

- **Front-End Ratio:** Housing expenses (PITI) ÷ Gross monthly income
- **Back-End Ratio:** All monthly debt payments ÷ Gross monthly income
- **PITI:** Principal, Interest, Taxes, and Insurance

Income and Employment Verification

Lenders require consistent income history to ensure you can afford your mortgage payments.

Requirement	Conventional	FHA	VA	Jumbo
Income History	2 Years	2 Years	2 Years	2 Years
Employment Verification	2 Years	2 Years	2 Years	2 Years
Self-Employment	2 Years tax returns	2 Years tax returns	2 Years tax returns	2 Years tax returns
Variable Income	2 Year average	2 Year average	2 Year average	2 Year average

Acceptable Income Sources:

- Base salary or hourly wages
- Overtime and bonuses (with history)
- Commission income
- Self-employment income
- Rental income (with documentation)
- Retirement income
- Child support and alimony (if court-ordered)

Asset Requirements

Lenders need to verify that you have sufficient funds for your down payment, closing costs, and reserves.

Asset Type	Documentation Required	Purpose
Bank Accounts	2 months statements	Down payment, closing costs
Investment Accounts	Most recent statements	Reserves, additional funds
Retirement Accounts	Most recent statements	Reserves (typically 60-70% value)
Gift Funds	Gift letter and donor's statements	Down payment assistance

Reserve Requirements:

- **Conventional:** 6 months PITI
- **FHA:** 1 month PITI
- **VA:** 0 months (but recommended)
- **Jumbo:** 12 months PITI

Closing Costs and Fees

Typical Closing Cost Breakdown

Closing costs typically range from 2% to 5% of the loan amount and include various fees charged by lenders, third-party service providers, and government entities.

Cost Category	Typical Range	Who Pays	Description
Loan Origination	0.5% - 1.0%	Borrower	Lender's fee for processing the loan
Appraisal Fee	500–800	Borrower	Professional property valuation
Credit Report	30–50	Borrower	Credit history verification
Title Insurance	0.5% - 1.0%	Negotiable	Protects against title defects
Recording Fees	100–300	Borrower	Government filing fees
Attorney Fees	500–1,500	Borrower	Legal review and closing services
Home Inspection	300–500	Borrower	Optional but highly recommended
Prepaid Interest	Varies	Borrower	Interest from closing to first payment

Cost Category	Typical Range	Who Pays	Description
Property Taxes	2-6 Months	Borrower	Escrow account funding
Homeowner's Insurance	1 Year	Borrower	Must be paid upfront

Understanding Loan Origination Fees

Loan origination fees cover the lender's administrative costs for processing your mortgage application. These fees typically include:

- **Underwriting Fee:** Assessment of your creditworthiness and risk
- **Processing Fee:** Document preparation and verification
- **Application Fee:** Initial application review
- **Points:** Optional discount points to lower your interest rate

Discount Points: Each point costs 1% of your loan amount and typically reduces your interest rate by 0.25%. Points can be beneficial if you plan to keep the loan for several years.

Third-Party Fees

Several third-party services are required during the mortgage process:

- **Appraisal:** Determines the property's market value
- **Survey:** Verifies property boundaries (if required)
- **Flood Certification:** Determines if the property is in a flood zone
- **Pest Inspection:** Required in some states for wood-destroying insects
- **Home Warranty:** Optional protection for appliances and systems

Prepaid Items

Prepaid items are costs that must be paid at closing but cover future expenses:

- **Property Taxes:** Typically 2-6 months to fund the escrow account
- **Homeowner's Insurance:** First year's premium paid upfront
- **Mortgage Insurance:** Upfront premium for FHA and some conventional loans
- **Interest:** Daily interest from closing date to first payment date

ARM Product Details

How Adjustable-Rate Mortgages Work

Adjustable-rate mortgages have an initial fixed period followed by periodic adjustments based on a market index plus a fixed margin. Understanding the adjustment structure is crucial for making an informed decision.

Feature	5/1 ARM	7/1 ARM	10/1 ARM
Initial Fixed Period	5 Years	7 Years	10 Years
Adjustment Frequency	Annual	Annual	Annual
Initial Cap	2%	2%	2%
Periodic Cap	2%	2%	2%
Lifetime Cap	5%	5%	5%
Index	1-Year CMT	1-Year CMT	1-Year CMT
Margin	2.25%	2.25%	2.25%
Negative Amortization	Not Allowed	Not Allowed	Not Allowed
Conversion Option	Yes (\$500 fee)	Yes (\$500 fee)	Yes (\$500 fee)

*CMT = Constant Maturity Treasury

Understanding Caps

Initial Cap: The maximum your rate can increase at the first adjustment after the fixed period. For example, if your initial rate is 5.875%, it cannot exceed 7.875% at the first adjustment.

Periodic Cap: The maximum your rate can increase at each subsequent adjustment period. If your rate increases by 2% at the first adjustment, it could potentially increase by another 2% at the next adjustment.

Lifetime Cap: The maximum your rate can increase over the life of the loan. This provides protection against extreme rate increases.

Index and Margin

Your ARM rate is calculated as **Index + Margin**. The index is a published financial index that reflects general market interest rates. The margin is a fixed percentage added to the index that represents the lender's profit.

Common Indexes:

- **1-Year CMT:** Constant Maturity Treasury
- **LIBOR:** London Interbank Offered Rate (phasing out)
- **SOFR:** Secured Overnight Financing Rate (replacing LIBOR)

When to Consider an ARM

ARMs can be beneficial in certain situations:

- **Short-Term Ownership:** If you plan to sell or refinance within the initial fixed period
- **Lower Initial Payments:** Lower initial rates can help you qualify for a larger loan
- **Expected Income Growth:** If you expect your income to increase significantly
- **Declining Rate Environment:** If you believe interest rates will decrease

Risks to Consider:

- **Payment Shock:** Monthly payments could increase significantly after the fixed period
- **Refinancing Risk:** You may not be able to refinance if your financial situation changes
- **Market Volatility:** Interest rates could rise faster than expected

Special Programs

First-Time Homebuyer Program

Our First-Time Homebuyer Program is designed to make homeownership more accessible for those purchasing their first home. This program offers a combination of financial assistance and educational resources.

Benefit	Details	Eligibility
Down Payment Assistance	Up to \$10,000	First-time buyers
Reduced PMI	0.25% lower	Credit score > 680
Closing Cost Credit	Up to \$2,500	Income < Area Median
Rate Discount	0.125% off	Completion of homebuyer education
Lock & Shop	90-day rate lock	Pre-approval required

Program Requirements:

- **First-Time Homebuyer:** Not having owned a primary residence in the past three years
- **Income Limits:** Vary by location and household size
- **Property Type:** Must be a primary residence
- **Homebuyer Education:** Completion of approved homebuyer education course
- **Minimum Credit Score:** 640 for conventional loans, 580 for FHA

How to Apply:

1. Complete our online pre-approval application
2. Provide required documentation (pay stubs, tax returns, bank statements)
3. Complete homebuyer education course
4. Receive pre-approval letter
5. Shop for homes within your budget
6. Submit purchase agreement and finalize loan application

Professional Discount Program

We value the contributions of professionals in key industries and offer special benefits to those who serve our communities.

Profession	Rate Discount	Additional Benefits
Medical Doctors	0.25%	0.5 points waived

Profession	Rate Discount	Additional Benefits
Nurses	0.125%	\$500 closing credit
Teachers	0.125%	Homebuyer education waiver
Military/Veterans	0.25%	VA loan expertise
First Responders	0.125%	Quick approval process

Eligibility Requirements:

- **Employment Verification:** Current employment in eligible profession
- **License/Certification:** Valid professional license or certification
- **Primary Residence:** Property must be owner-occupied
- **Loan Amount:** Program available for loans up to \$1,000,000
- **Combination:** Cannot be combined with other discount programs

How to Claim Your Discount:

- Provide proof of employment (pay stub, employment letter)
- Submit copy of professional license or certification
- Mention the program during your initial application
- Discount will be applied at closing

Rate Lock Options

Understanding Rate Locks

A rate lock guarantees your interest rate for a specified period, protecting you from market fluctuations while you complete the homebuying process.

Lock Period	Fee	Rate Adjustment	Extension Available
15 Days	Free	Market Rate	Yes (+0.125%)
30 Days	Free	+0.125%	Yes (+0.25%)
45 Days	0.25%	+0.25%	Yes (+0.375%)
60 Days	0.375%	+0.375%	Yes (+0.5%)
90 Days	0.5%	+0.5%	Limited availability
Float Down Option	0.625%	Available for 60+ day locks	One-time exercise

When to Lock Your Rate

Consider locking when:

- You've found a property and have an executed purchase agreement
- You're comfortable with current market rates

- Your closing date is within the lock period
- Market volatility is high

Consider floating when:

- You're still shopping for a home
- Market rates are trending downward
- Your closing date is uncertain
- You're willing to accept rate risk for potential savings

Float Down Option

The float down option allows you to lock your rate while retaining the ability to lower it if market rates improve before closing.

How it works:

- Pay an additional fee (typically 0.625% of loan amount)
- If market rates drop by at least 0.25% before closing, you can exercise the option
- Your rate will be adjusted to the lower market rate
- Can only be exercised once during the lock period

When to consider:

- You want rate protection but believe rates may decline
- Market volatility is high
- Your closing date is several weeks away
- You're willing to pay for the flexibility

Documentation Requirements

Required Documents

The mortgage application process requires thorough documentation to verify your income, assets, and credit history.

Document Type	Self-Employed	Employed	Retired
Pay Stubs	2 Months	1 Month	N/A
W-2 Forms	2 Years	2 Years	2 Years
Tax Returns	2 Years + K-1	2 Years	2 Years
Bank Statements	2 Months	2 Months	2 Months
Investment Accounts	2 Statements	1 Statement	2 Statements
Business License	Required	N/A	N/A
P&L Statement	YTD + 2 Years	N/A	N/A

Document Type	Self-Employed	Employed	Retired
Rental Agreements	If applicable	N/A	If applicable
Divorce Decree	If applicable	If applicable	If applicable

Income Documentation

Employed Borrowers:

- Most recent pay stubs covering 30 days
- W-2 forms for the past two years
- Verification of employment (VOE) from employer
- Explanation for any employment gaps

Self-Employed Borrowers:

- Complete federal tax returns for the past two years (all schedules)
- Year-to-date profit and loss statement
- Business bank statements (if applicable)
- Business license or articles of incorporation
- K-1 forms for partnerships or S-corporations

Retired Borrowers:

- Social Security award letter
- Pension award letter
- IRA/401(k) distribution statements
- Investment account statements

Asset Documentation

Bank Accounts:

- Two most recent monthly statements for all accounts
- All pages, even if blank
- Large deposits must be sourced (gift letter, sale of asset, etc.)

Investment Accounts:

- Most recent quarterly statements
- Verification of liquid assets
- Retirement accounts (typically 60-70% of value considered)

Gift Funds:

- Gift letter signed by donor
- Donor's bank statements showing source of funds
- Evidence of transfer to your account

Property Documentation

Purchase Transactions:

- Fully executed purchase agreement
- Earnest money deposit receipt
- Property disclosures
- Home inspection report (if completed)

Refinance Transactions:

- Current mortgage statement
- Homeowner's insurance declaration page
- Property tax bill
- Title insurance policy

Processing Timeline

Typical Mortgage Timeline

The mortgage process typically takes 30-45 days from application to closing, though this can vary based on loan complexity and market conditions.

Stage	Typical Duration	Description
Application	1-3 Days	Complete online or in-person application
Pre-approval	1-2 Days	Conditional approval based on initial review
Processing	10-15 Days	Document collection and verification
Underwriting	5-7 Days	Risk assessment and final approval
Appraisal	7-10 Days	Third-party property valuation
Conditional Approval	1-2 Days	Additional documentation may be requested
Clear to Close	2-3 Days	Final approval and closing preparation
Closing	1 Day	Signing documents and funding

Factors Affecting Timeline

Things that can speed up the process:

- Complete and accurate documentation
- Quick responses to lender requests
- Simple income and employment situation
- Cooperative seller and real estate agent
- Smooth appraisal process

Things that can delay the process:

- Incomplete or inaccurate documentation
- Complex income sources (self-employment, multiple jobs)
- Credit issues requiring explanation
- Appraisal delays or low appraisals
- Title issues or property defects
- Market volatility affecting rate locks

Tips for a Smooth Process

1. **Get Pre-Approved Early:** Start the process before you start house hunting
2. **Gather Documents:** Collect all required documents before applying
3. **Be Responsive:** Respond quickly to lender requests for information
4. **Stay in Touch:** Maintain regular communication with your loan officer
5. **Avoid Major Changes:** Don't change jobs, open new credit, or make large purchases during the process
6. **Review Closing Disclosure:** Carefully review your closing disclosure 3 days before closing

Important Disclosures

Rate and Program Information

Rates and terms are subject to change without notice. All loan programs subject to credit approval and property appraisal. Programs available in most states; some restrictions may apply.

Private Mortgage Insurance (PMI):

- Required for conventional loans with less than 20% down payment
- Can be canceled once loan-to-value ratio reaches 78%
- Monthly premium based on loan amount, down payment, and credit score

FHA Mortgage Insurance:

- Upfront mortgage insurance premium (UFMIP) of 1.75% of loan amount
- Annual mortgage insurance premium (MIP) for the life of the loan
- Cannot be canceled for loans with less than 10% down

VA Loan Funding Fee:

- One-time fee based on loan amount and down payment
- Can be financed into the loan
- Exempt for veterans with service-connected disabilities

Property Requirements

Eligible Property Types:

- Single-family homes
- Condominiums (must be FHA or VA approved if applicable)

- Townhomes
- 2-4 unit properties (owner-occupied)
- Manufactured homes (must meet HUD guidelines)

Property Condition:

- Must meet minimum property standards
- Appraisal required to determine value and condition
- Repairs may be required for health and safety issues
- Properties in need of major repairs may not qualify

Geographic Restrictions

Loan Limits:

- Conventional loan limits vary by county
- FHA loan limits vary by county
- VA loan limits eliminated for most borrowers
- Jumbo loans available for high-cost areas

State-Specific Requirements:

- Some states have additional disclosure requirements
- Attorney review may be required in certain states
- Recording fees and transfer taxes vary by location

Consumer Protection

Right to Rescind:

- For refinance transactions, you have three business days after closing to cancel the loan
- Does not apply to purchase transactions

Truth in Lending Act (TILA):

- Requires lenders to disclose loan terms and costs
- Provides the right to receive a Loan Estimate within 3 business days of application
- Provides the right to receive a Closing Disclosure 3 business days before closing

Equal Credit Opportunity Act (ECOA):

- Prohibits discrimination based on race, color, religion, national origin, sex, marital status, age, or receipt of public assistance

Contact Information

GlobalTrust Bank Mortgage Division

- **Website:** www.globaltrustbank.com/mortgages
- **Phone:** 1-800-555-MORTGAGE (1-800-555-6678)
- **Email:** mortgages@globaltrustbank.com

- **Address:** 123 Financial Center Drive, Suite 100, New York, NY 10001

Business Hours:

- Monday - Friday: 8:00 AM - 8:00 PM EST
- Saturday: 9:00 AM - 5:00 PM EST
- Sunday: Closed

NMLS ID: 1234567

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