



Credit & Home Financing for Graduating Medical Students at:



UNIVERSITY OF ILLINOIS
COLLEGE OF MEDICINE

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www.physicianloans.com

Disclosures

- The intent of this Financial Workshop is to educate you in long term financial health and literacy as UIC recognizes that it is beneficial to have this information made available to you.
- Any future business relationship between you and PhysicianLoans will be at your choice and consent.
- There is no obligation for you to apply for a mortgage with PhysicianLoans by attending this session.

Who we are



My Personal NMLS

#6502

A Preferred Mortgage Provider for
the AMA, AOA and SOMA

SINCE 1993

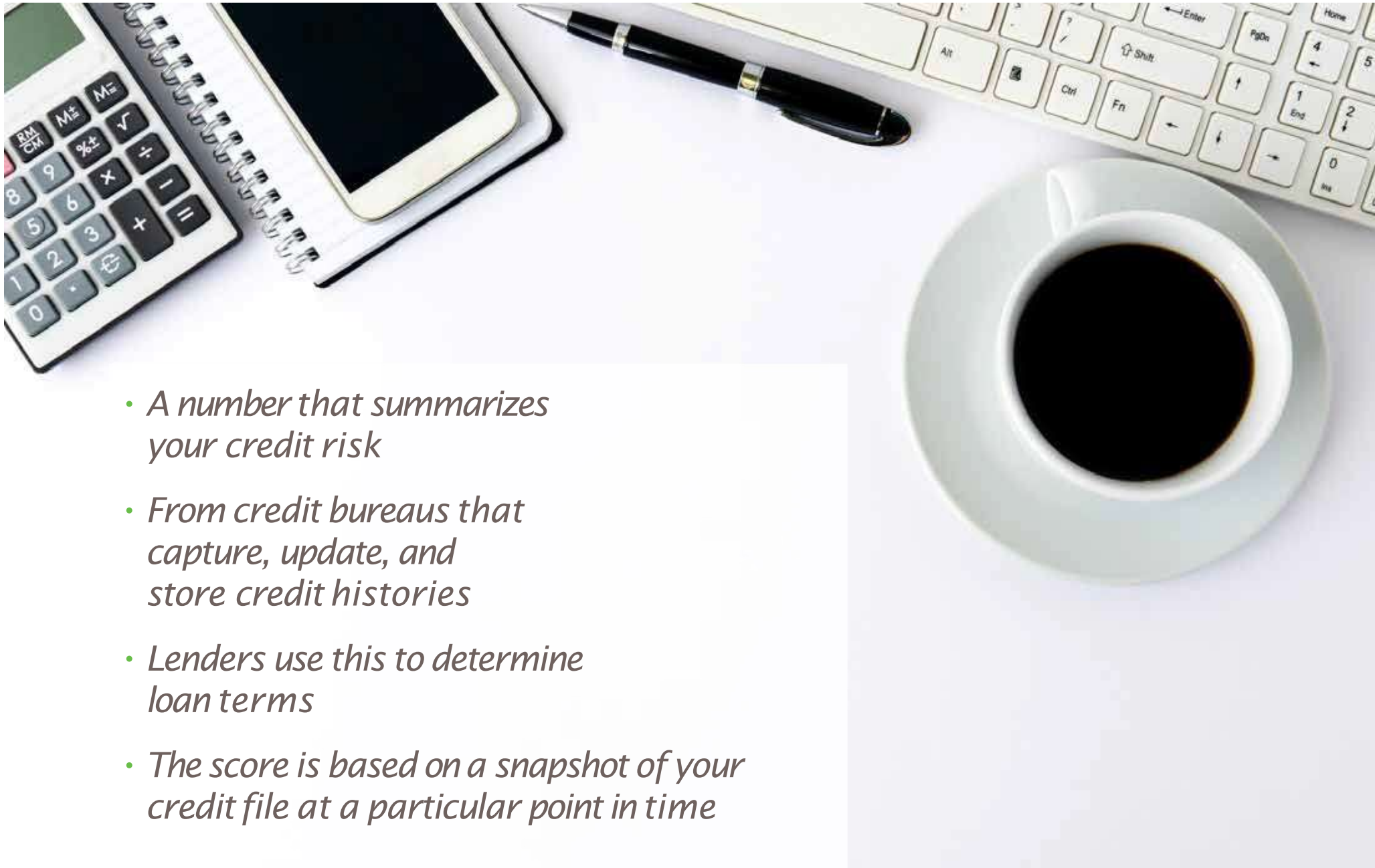
Agenda

- Understanding Your Credit
- Types of Home Loans
- How much you CAN Afford
- Buy vs. Rent
- Home Buying Timeline
- LIVE Q&A Throughout

Understanding Your Credit

What is a credit score?

- *A number that summarizes your credit risk*
- *From credit bureaus that capture, update, and store credit histories*
- *Lenders use this to determine loan terms*
- *The score is based on a snapshot of your credit file at a particular point in time*



Credit Bureaus



Equifax



Experian



TransUnion

The FICO® score range

Exceptional

800 or higher

Very Good

740 to 799

Good

670 to 739

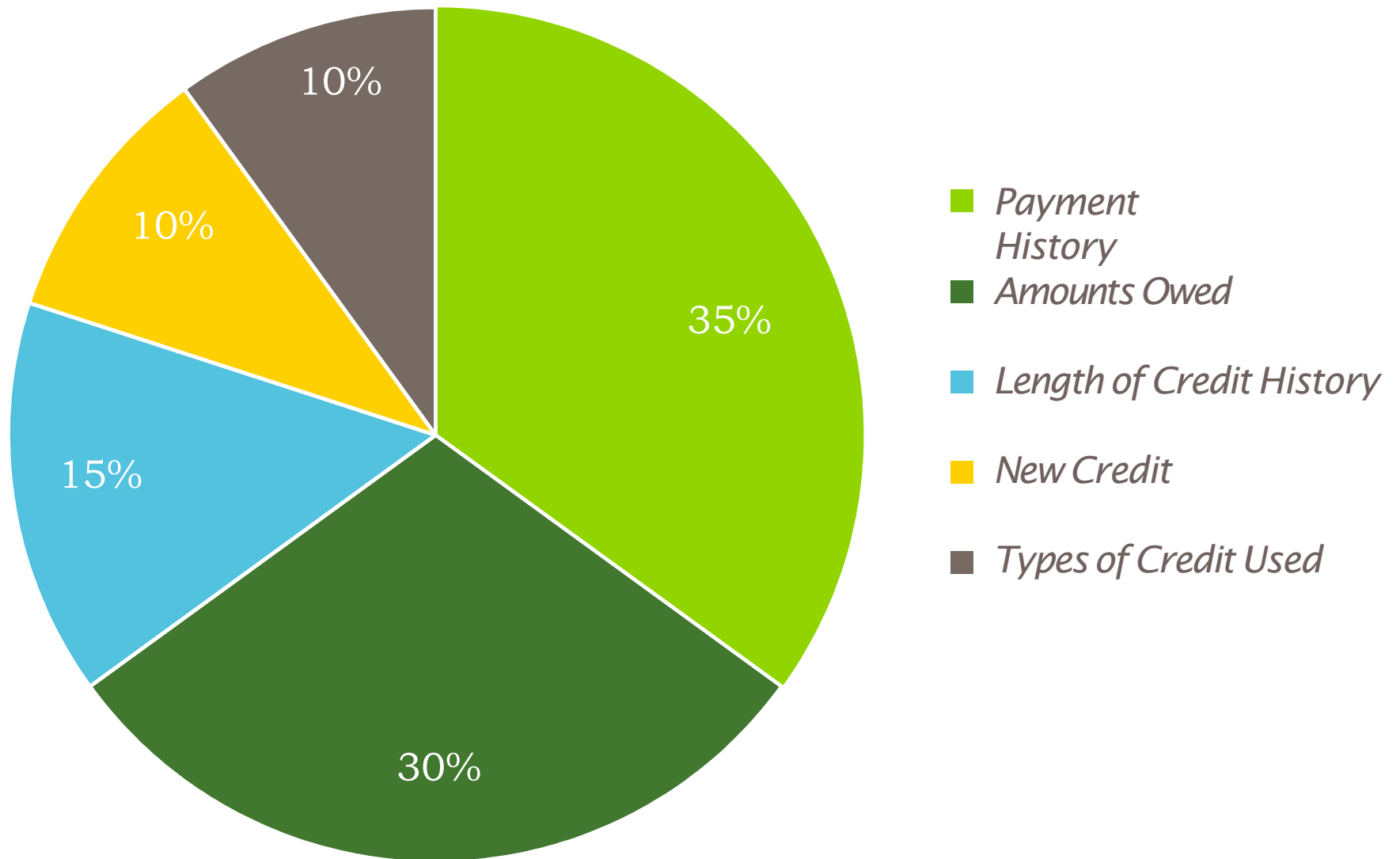
Fair

580 to 669

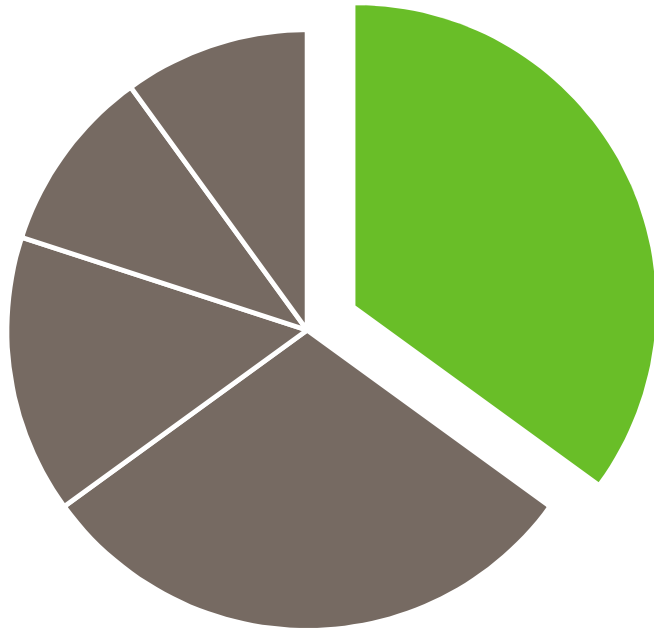
Poor

579 or lower

What's in a credit score?



Payment History: 35%



- *Payment information on many types of accounts*
- *Public record and collection items*
- *Details on late or missed payments and public record and collection items*
- *Number of accounts that show no late payments or are currently paid as agreed*

What your credit score ignores



- *Age, race, color, religion, national origin, sex, and marital status*
- *Employment details*
- *Where the consumer lives*
- *Current interest rates*
- *Child/family support obligations*
- *Information not found in the credit report*
- *Information not proven to be predictive of future credit performance*

Check you credit for free (no score provided)

www.annualcreditreport.com

Types of Loans

What mortgage types are out there?

**Physician
Loan**

Portfolio Loan

Conforming

**Fannie Mae
and Freddie Mac**

FHA

**Government
Insured**

VA

**Government
Guaranteed**

This is a subset of mortgage types and does not include all mortgage types. VA loans require a VA certificate of eligibility. Huntington is not acting on behalf of, or at the direction of the VA, FHA, USDA or Federal Government.

www.PhysicianLoans.com

Why is applying for the right loan important as a Graduating Student / Resident?



☐ Little to no savings

☐ Student loan debt

☐ No proof from lender of student loan payments for next 12 months

☐ No employment contract & no pay stubs.

☐ Job starts in July, but you wish to move in June or earlier

☐ Medical license not yet issued

Mortgage Loan Types

	Physician Loan <i>Portfolio</i>	Conforming <i>Fannie Mae & Freddie Mac</i>	FHA <i>Government Insured</i>	VA <i>Government Guaranteed</i>
Down Payment	As low as 0%	As low as 3%	As low as 3.5%	As low as 0%
Student loan documentation flexibility	✓			
No Mortgage Insurance	✓			
Fully executed employment contract or offer letter is acceptable	✓			
Higher Debt Ratio Allowed	✓	✓	✓	
Close up to 90 days prior to Orientation / Residency / Job start	✓			

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How do I
determine how
much I can afford?

What Price Range?

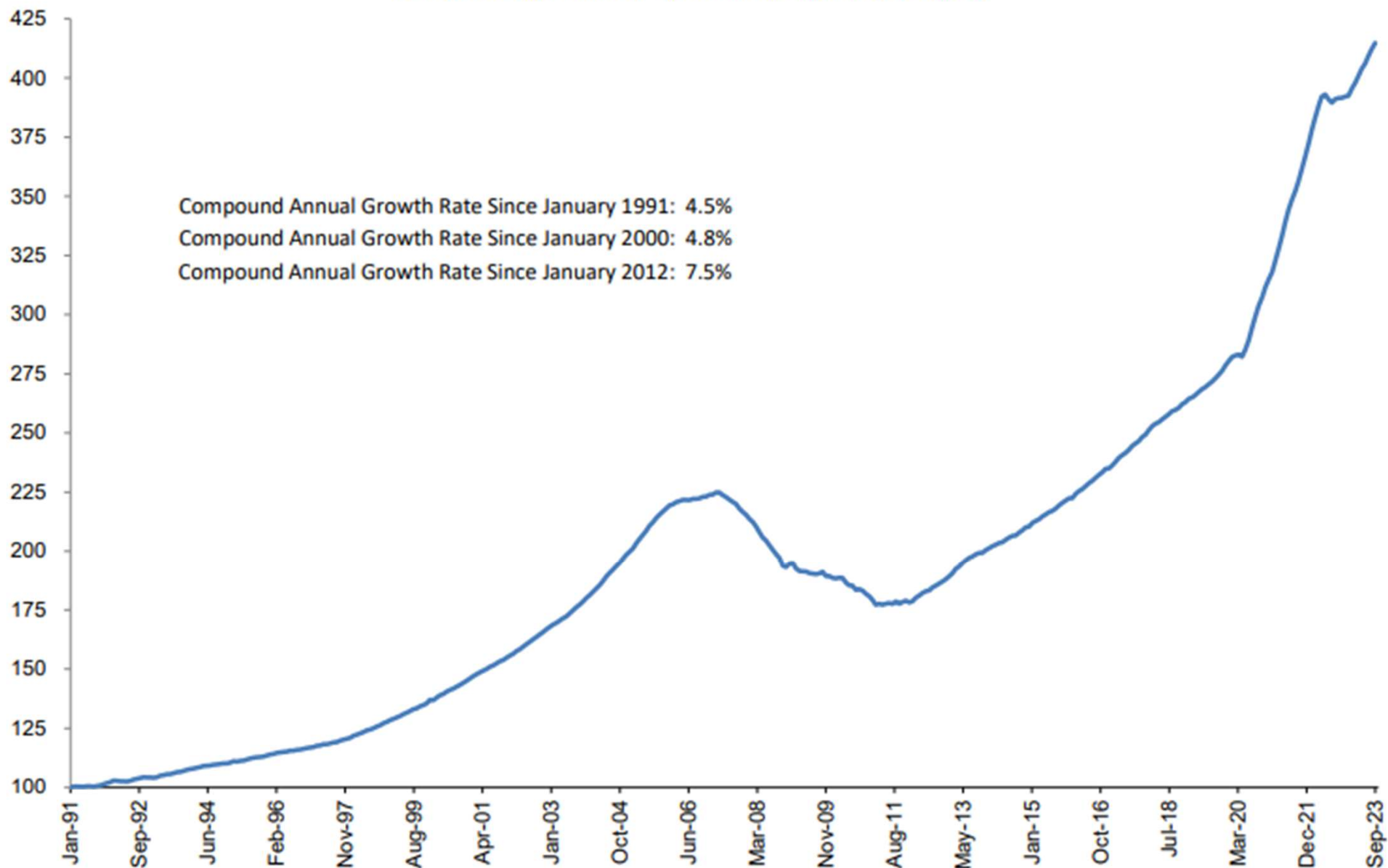
	Home Purchase	Total Payment
Single Income Graduating Students	\$150,000 - \$325,000	\$1,200 - \$2,250
Dual income households	\$450,000+	\$2,500+

Example assumes rate of 5.75%. APR varies due to loan size in example between 6.33% – 6.29%. Please reference disclosure slide (Slide 38) for additional terms and information. The tax and insurance examples are for illustrational purposes and do not depict an actual transaction scenario. Region represented in this example is Columbus, OH. Actual costs may vary based on the location of the property.

Monthly House Price Index for U.S. from January 1991 - Present

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)

Compound Annual Growth Rate Since January 1991: 4.5%
Compound Annual Growth Rate Since January 2000: 4.8%
Compound Annual Growth Rate Since January 2012: 7.5%



Source: FHFA

FHFA HPI by Metropolitan Statistical Area

Percent Change in House Prices

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)

Period ended 2023Q3

Metropolitan Statistical Area or Division	1-Yr	Qtr	5-Yr	Since 1991Q1
Akron, OH	10.26%	4.11%	58.42%	197.26%
Albany-Schenectady-Troy, NY	12.35%	5.34%	54.86%	199.96%
Albuquerque, NM	6.67%	1.60%	64.42%	283.15%
Allentown-Bethlehem-Easton, PA-NJ	9.09%	3.08%	65.72%	203.88%
Anaheim-Santa Ana-Irvine, CA (MSAD)	7.79%	2.27%	49.93%	374.33%
Atlanta-Sandy Springs-Alpharetta, GA	6.49%	2.55%	68.71%	323.00%
Austin-Round Rock-Georgetown, TX	-5.03%	1.29%	62.30%	632.23%
Bakersfield, CA	3.81%	3.51%	58.29%	213.88%
Baltimore-Columbia-Towson, MD	6.94%	2.17%	40.97%	253.21%
Baton Rouge, LA	3.92%	-0.04%	30.14%	252.90%
Birmingham-Hoover, AL	3.10%	0.91%	53.12%	269.21%
Boise City, ID	-3.56%	1.70%	75.91%	568.56%
Boston, MA (MSAD)	6.51%	0.91%	51.39%	366.97%
Bridgeport-Stamford-Norwalk, CT	9.19%	2.12%	59.00%	217.47%
Buffalo-Cheektowaga, NY	8.24%	3.19%	65.59%	239.52%
Cambridge-Newton-Framingham, MA (MSAD)	7.81%	3.41%	51.06%	363.40%
Camden, NJ (MSAD)	10.38%	2.75%	70.83%	221.71%
Cape Coral-Fort Myers, FL	3.09%	-0.03%	85.74%	385.52%
Charleston-North Charleston, SC	9.21%	3.39%	79.96%	539.86%
Charlotte-Concord-Gastonia, NC-SC	6.44%	2.27%	78.39%	351.00%
Chicago-Naperville-Evanston, IL (MSAD)	6.77%	2.25%	40.88%	198.95%
Cincinnati, OH-KY-IN	9.22%	2.27%	64.53%	241.40%
Cleveland-Elyria, OH	7.51%	2.39%	57.95%	183.10%
Colorado Springs, CO	-0.09%	2.08%	60.11%	465.32%
Columbia, SC	5.78%	-0.05%	63.48%	233.13%
Columbus, OH	7.02%	2.68%	64.12%	287.99%
Dallas-Plano-Irving, TX (MSAD)	3.19%	2.33%	58.35%	348.27%
Dayton-Kettering, OH	10.81%	3.07%	64.13%	178.58%
Denver-Aurora-Lakewood, CO	2.62%	2.63%	48.55%	634.29%
Detroit-Dearborn-Livonia, MI (MSAD)	8.16%	2.87%	53.52%	215.03%
El Paso, TX	4.83%	-1.86%	59.98%	220.39%
Elgin, IL (MSAD)	10.00%	2.22%	51.97%	166.94%
Fort Lauderdale-Pompano Beach-Sunrise, FL (MSAD)	3.73%	1.52%	74.86%	477.37%
Fort Worth-Arlington-Grapevine, TX (MSAD)	1.14%	0.80%	58.90%	322.05%
Frederick-Gaithersburg-Rockville, MD (MSAD)	3.55%	-0.51%	35.64%	260.46%
Fresno, CA	3.51%	1.52%	53.79%	262.92%
Gary, IN (MSAD)	4.54%	0.90%	54.09%	225.65%
Grand Rapids-Kentwood, MI	7.36%	1.49%	68.79%	308.98%

Total Debt Ratio Allowed

Physician Loan	Conforming	FHA	VA
Portfolio Loan	Fannie Mae & Freddie Mac	Government Insured	Government Guaranteed
50%	36%	43%	41%

Information presented on the slide represents the standard DTI allowed, without additional conditions or underwriting requirements. Conforming allows to 45% and 50% under certain conditions; FHA allows up to 50% under certain conditions. VA loans require a VA certificate of eligibility. Huntington is not acting on behalf of, or at the direction of the VA, FHA, USDA or Federal Government.

How much you qualify for

**Total
Debt
Ratio**

\geq



Total Monthly Debt
Payments

How are Student Loans
accounted for?



Monthly Gross
Income

How much you qualify for

$$50\% \geq \frac{\$2,708}{\$5,416}$$

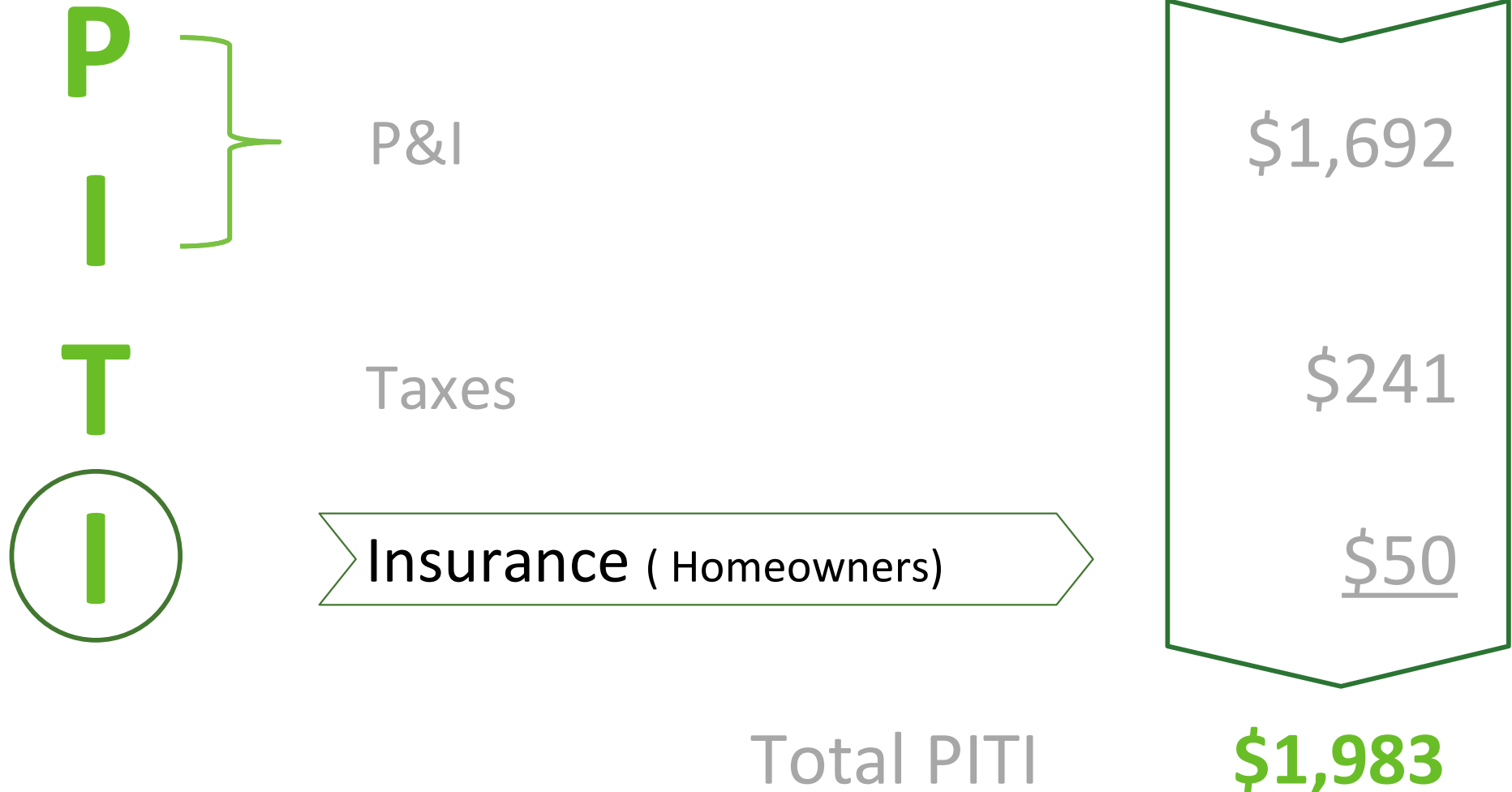
Total Monthly Debt Payments

Monthly Gross Income

The house you buy depends on your PITI & DTI

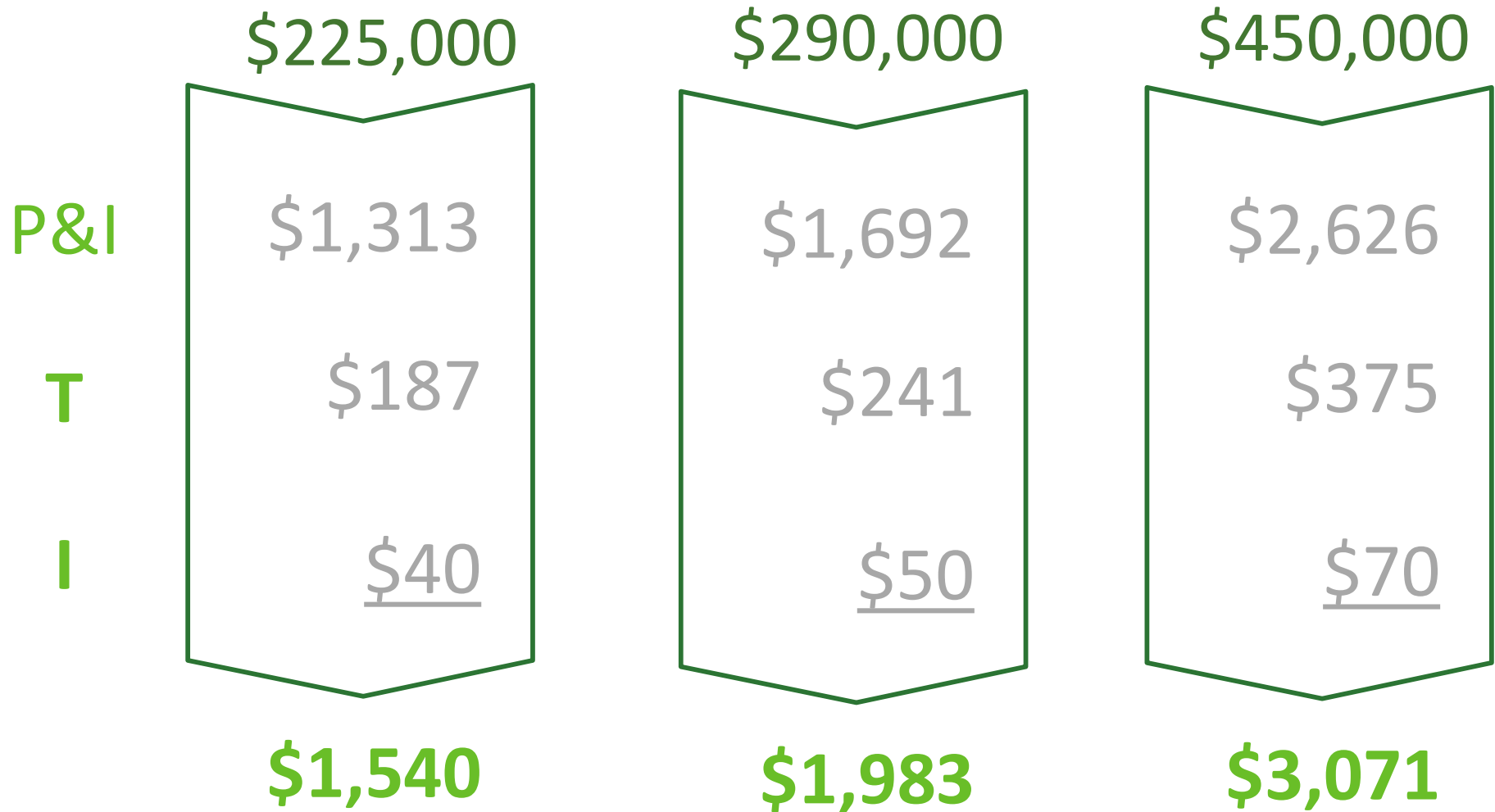
Purchase Price

\$290,000



Example assumes rate of 5.75%, APR 6.30%. Please reference disclosure slide (Slide 38) for additional terms and information. The tax and insurance examples are for illustrational purposes and do not depict an actual transaction scenario. Region represented in this example is Columbus, OH. Actual costs may vary based on the location of the property.

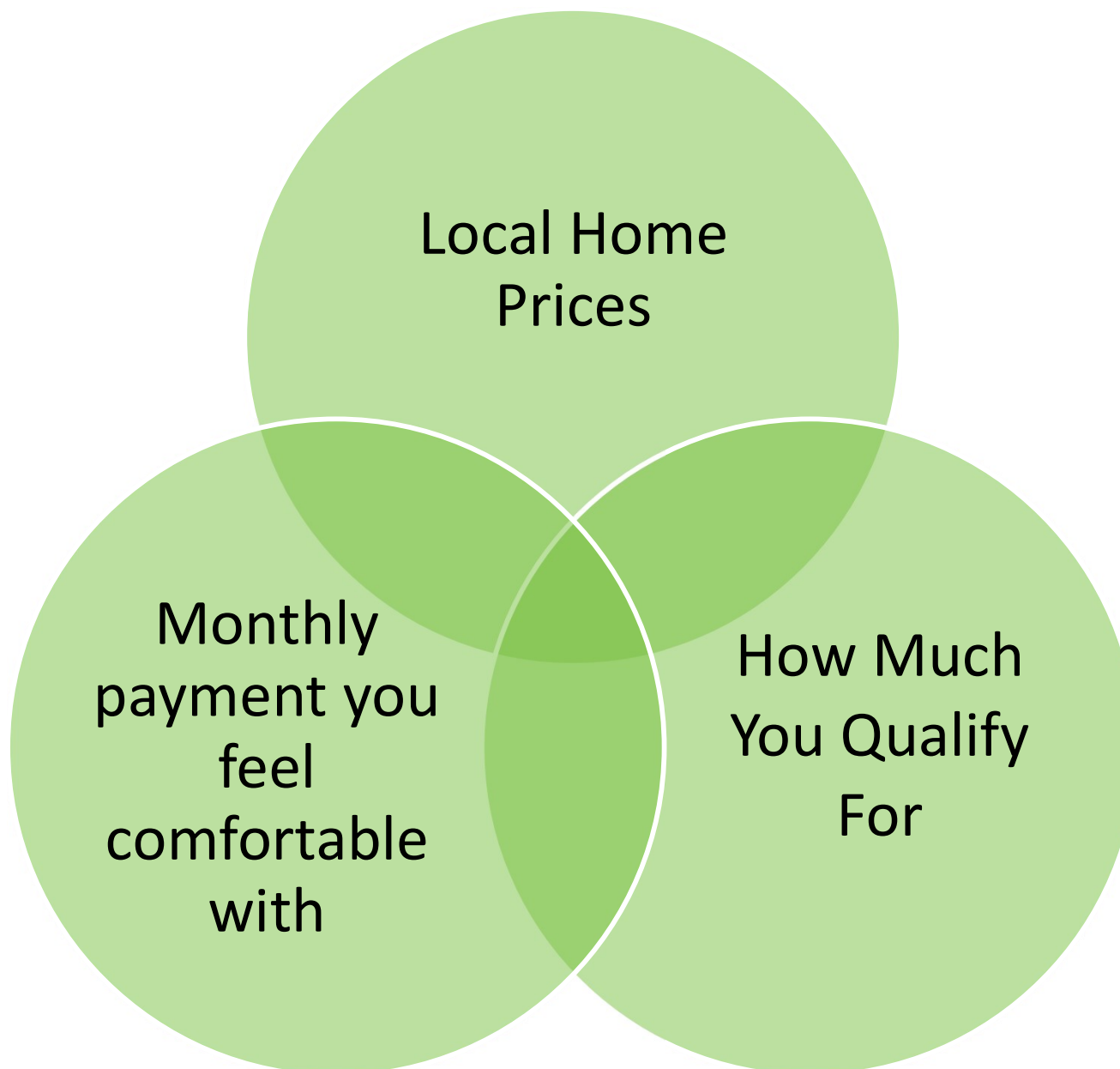
The PITI Comparison



Example assumes rate of 5.75%. APR varies due to loan size in example between 6.31% - 6.29% respectfully. Please reference disclosure slide (Slide 38) for additional terms and information. The tax and insurance examples are for illustrational purposes and do not depict an actual transaction scenario. Region represented in this example is Columbus, OH. Actual costs may vary based on the location of the property.

How do I determine if I should Buy or Rent?

When it may make sense to Buy



When it may make sense to Rent



Common Decision Factors



City



Time in
Home



Lifestyle

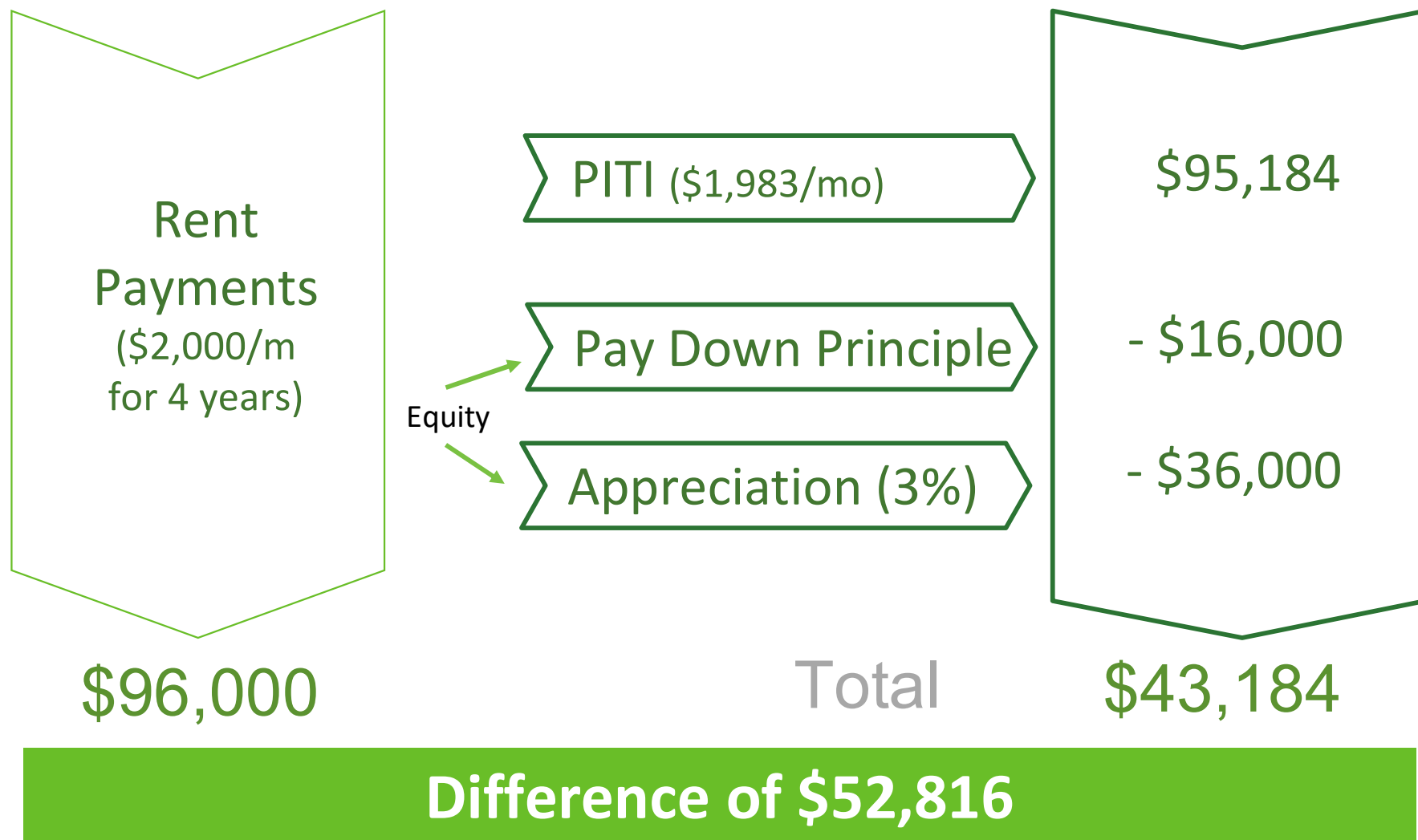


Financial
Benefits



Renting vs Buying

A \$290,000 Home Held for 4 Years



Example assumes rate of 5.75%, APR 6.30%. Please reference disclosure slide (Slide 38) for additional terms and information. The tax and insurance examples are for illustrational purposes and do not depict an actual transaction scenario. Region represented in this example is Columbus, OH. Actual costs may vary based on the location of the property.

The financial benefits of Buying

Gross Difference of \$52,816

Maintenance (apx. 1% per year)	-\$10,000
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Selling Cost (6% of \$326,000)	-\$19,560
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Net Difference of \$23,256

This sample is for illustrational purposes and does not depict an actual transaction. Actual costs may vary.

Timeline- What To Do and When



Selecting a trusted Loan Officer

Questions to ask a Loan Officer

- Do you hold a personal mortgage license?
- Is your company licensed in the state in which I plan to purchase?
- Am I free to use the real estate agent of my choice?
- Am I able to call you after hours and weekends?
- Can you provide references?
- Did you complete your CE in 2023?

Questions to ask related to the loan process

- How do I need to handle Earnest Funds?
- How much is the Inspection and Appraisal and when do I need to pay?
- How much money do I need to show for approval? What about Funds to Close?
- Will my going on vacation impact your process?
- What student loan documentation will you need from my student loan company?
- Do you have a dedicated processor assigned to me?

The home buying timeline

Step 2: Select a trusted Real Estate Agent (Jan – Mar)

Generic Questions

- How many transactions did you close in the last year?
- Are you a licensed agent?
- What is your experience working with first-time homebuyers?
- Are you working for me and in my best interest throughout this transaction?
- How will you communicate with me?
- Are there any fees I need to pay you?

Modified Questions

- How many houses have you sold using a true doctor loan?
- What is your experience working with graduating med students who are first time home buyers?

4 Important Considerations



Disclosures



Figures provided below are for illustration purposes only and are not actual rate quotes. Rate and payment information in the examples reflect - terms for financing the purchase of a single-family, owner-occupied dwelling by an applicant with a 720 credit score on a 30-year, 10/6 adjustable rate mortgage based on market conditions as of January 27, 2023, and assumes \$1000 in prepaid finance charges. The initial rate (5.75%, in this example) for the 10/6 ARM is in effect for the first 120 months. After 120 months, the interest rate is based on the 30-Day Average Secured Overnight Funds Rate (SOFR) index rate as published by the Federal Reserve Bank of New York in effect within 45 days of the change date (4.310%, as of January 27, 2023) plus a margin (3%, in this example) rounded to the nearest .125% and is subject to change every 6 months. Due to the variable nature of the index, interest rates and payments may increase, in some cases, significantly, after consummation of the loan. The rate and payment information for years 11-30 are based on the index rates in effect as of January 27, 2023; the index rates in effect ten to thirty years later may differ substantially. The payment estimates do not include amounts for taxes and insurance premiums; the actual payment obligation will be greater.

Loan Amount	Points	Down Payment	Rate		APR	Monthly Payment	
			Years 1 through 10	Years 11 through 30		Years 1 through 10	Years 11 through 30
\$150,000	0	0%	5.75%	7.25%	6.33%	\$875.36	\$985.44
\$225,000	0	0%	5.75%	7.25%	6.31%	\$1,313.04	\$1,478.16
\$290,000	0	0%	5.75%	7.25%	6.30%	\$1,692.36	\$1,905.19
\$325,000	0	0%	5.75%	7.25%	6.29%	\$1,896.61	\$2,135.12
\$450,000	0	0%	5.75%	7.25%	6.29%	\$2,626.08	\$2,956.33

Huntington offers many different mortgage products and options. Not all applicants will qualify for the rates shown. Actual interest rates, annual percentage rates (APRs), margins, payment amounts and loan closing costs for which an applicant may qualify will vary depending on loan product, the applicant's credit profile, and other loan characteristics such as loan amount, down payment, credit score, LTV ratio, property/occupancy type and other factors, and are subject to change at any time. All loan products have maximum debt-to-income ratios and maximum loan amounts..

The Huntington National Bank is an Equal Housing Lender and Member FDIC. All loans are subject to application and credit approval, satisfactory appraisal, and title insurance. Terms, conditions, and loan programs are subject to change without notice. Other terms, conditions, and restrictions may apply.

Thank you.

Primary Contact

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Additional Resources

To Find a Loan Officer visit www.physicianloans.com
or call 877-593-9313

Visit www.physicianloans.com for additional information