

# Member Line

Second Quarter 2019

## 5 Mortgage Loan Tips

Getting a mortgage loan may seem overwhelming especially because it's the largest, and most meaningful, financial transaction most of us will ever make. However, when you work with a reliable partner like Members Trust, we can walk you through the process.

Here are 5 tips to help get your ducks in a row for a mortgage application.

Members Trust is ready to help you navigate the home buying process. Whether you're building a new home, found the perfect pre-owned home, or you are refinancing to save money, we can help.

### KNOW YOUR CREDIT SCORE

Having a good credit score helps you get the best deal on your home loan. It's a good idea to get a copy of your credit report before starting the home buying process so you can see what your credit profile looks like and take steps to improve your score if needed.

You can receive one free copy of your credit report per year from each of the three credit reporting agencies by visiting [www.annualcreditreport.com](http://www.annualcreditreport.com). If you pay a small fee to the reporting agency, they will include your credit score.

### USE A MORTGAGE CALCULATOR

Mortgage calculators help you understand how much house you can afford. They are very easy to use and show how much your monthly mortgage payment would be under different home price, down payment and interest rate scenarios. Check out the mortgage calculator on our website.

### GET YOUR DOCUMENTS IN ORDER

When you apply for a mortgage, you will need to provide your lender with a number of financial documents. At a minimum, you should be prepared to provide your last two pay stubs, your most recent W-2, your last two years of tax returns, and current bank and brokerage statements.

### GET PRE-QUALIFIED

Many real estate agents want you to be pre-qualified before they will work with you. The mortgage pre-qualification process usually requires financial information such as your income and the amount of savings and investments you have. Once you are pre-qualified, you will have a better sense of how much you can borrow and the price range of the homes you can afford.

### UNDERSTAND YOUR LOAN OPTIONS

Some people get a 30-year fixed-rate loan. Others prefer an adjustable-rate loan. There are a lot of mortgage loan options and every home buyer has their own unique financial situation so it's important to understand which type of loan best suits your needs. We are pleased to offer our members a variety of mortgage loan options both in-house and through our mortgage lending partner.

Learn more at [www.MTFCU.coop](http://www.MTFCU.coop)

# TREASURY YIELD CURVE 101

A MESSAGE FROM: BRIAN C. GILBERT, CEO

Over the last couple of months, I have talked to a number of members who think that we are still in an up rate environment where rates will be rising. But is that the case? The market may be telling us something different.

One of the best barometers for anticipating future interest rates is the Treasury Yield Curve. Treasuries are the debt securities issued by the U.S. government. In the United States, the Treasury Yield Curve is the first mover of all domestic interest rates and is a leading factor in setting global rates.

If the general thinking is that rates are going up, then buyers of Treasury instruments will push rates up and vice versa. I have included a chart of the Treasury Yield Curve that indicates that years 2 through 7 are below the one-year rate. This would indicate the market\* would expect lower rates in the future than we have today.



My advice is to be aware as things may change. Any information that we have today may be replaced by new data tomorrow that could change outlooks and interest rates across the world. Whatever may happen, MTFCU will always strive to offer the best rates possible for both our depositors and borrowers.

## U.S. TREASURY YIELD CURVE



\*Effective as of March 18, 2019.

## Planning for Home Improvements?

### What loan is right for my project?

Whether you've moved into a new home or you're upgrading your existing place, home improvements are not cheap. The national average for a kitchen remodel is \$23,166 according to HomeAdvisor.com. Many homeowners need financing help to cover improvements but are faced with a variety of loan options. Which loan is better for your situation? We talked to our resident expert, Jill Jameson to get the answers. Jill has worked for Members Trust for 16 years and understands the "ins and outs" of these loans.

**WHAT'S A HOME EQUITY LOAN?** A home equity loan taps into the equity in your home as security for a loan. The equity represents the portion of your home that has already been paid off and therefore does not have a mortgage attached to it. In Texas, you can borrow up to 80% of the equity in your home and the loan is for a fixed amount and term. Terms are approximately 15 years and rates depend on how much you borrow. Your home acts as collateral for the loan. You can use the loan proceeds however you see fit – improvements, debt consolidation, college expenses, vacation etc.

**WHAT'S A HOME IMPROVEMENT LOAN?** A home improvement loan is a personal loan that's unsecured, so rates can be higher and terms tend to be shorter than a home equity loan. Proceeds from the loan must be used for a home improvement purpose and are typically for smaller projects where you want to do the work yourself.

**WHAT'S A CONSTRUCTION LOAN?** A construction loan is a secured loan where your home is used as collateral for the loan. Because it's a real estate loan, rates are usually lower and terms can be between 15-20 years. Proceeds from the loan are paid directly to your contractor and we monitor the work to make sure the work is completed as planned.



**WHEN IS A HOME EQUITY LOAN BETTER?** A home equity loan usually works better for bigger ticket improvements because lenders typically won't give you as much for an unsecured loan. A secured home equity loan offers a better rate, longer term and provides greater flexibility because you get the cash at closing so you can pay yourself or a contractor. The loan application/closing process is a little longer, but a home equity loan may be the less costly option.

**WHEN IS A HOME IMPROVEMENT LOAN BETTER?** If you are on a tight timeline, this may be a better option because it requires a simple personal loan application and can be closed in a few days. Home improvement loans also do not require you to have equity in your home so this is a good option if you bought a home recently or if you have other plans for the equity in your home.

**WHEN IS A CONSTRUCTION LOAN BETTER?** Like a home equity loan, this works well for costly improvements which require a better rate and longer term. This loan is a good option when you know you are going to work with a general contractor for your project.



Contact Jill to discuss your home improvement options.  
JILLJ@MTFCU.COOP

# Community Involvement

## Economic Forecast Luncheon

Members Trust was a Platinum Sponsor of the Greater Heights Area Chamber of Commerce luncheon on January 30, 2019.

## Stephenville Livestock Show

In January, Members Trust was proud to contribute to several buyers pools at the livestock show.

## Heights Crawfish Festival

Once again, Members Trust sponsored and volunteered at the Crawfish Festival on Saturday, March 2nd. Proceeds benefit the Greater Heights Area Chamber of Commerce and community fund.

## Annual Meeting

The meeting was held at our Houston Branch on March 21, 2019. You can find the annual report under the "News" tab on our website.

## Stephenville Member Appreciation Day

Mark your calendar and make plans to attend on Friday, April 26, 2019!

## FINANCIAL HIGHLIGHTS

	February 2019	February 2018
Members	7,429	7,147
Loans	\$102,863,111	\$90,183,277
Deposits	\$140,085,423	\$126,124,375
Equity	\$9,539,969	\$8,928,435
Assets	\$150,378,307	\$135,750,025



## Credit Union Closings

Members Trust will be closed on the following federal holidays. Access your account 24/7 using HomeCU Online Banking.

### Memorial Day

Monday, May 27, 2019

### Independence Day

Thursday, July 4, 2019

Open a **Free** Checking Account

& GET **\$100<sup>1</sup>**

If you don't have a Members Trust Checking Account, open one today! We offer six different checking accounts to meet your specific needs and all boast –



Visa Debit Card with enhanced card controls

Free Home and Mobile Banking



Free Online Bill Pay

No per check fees and unlimited check writing



Direct Deposit, Overdraft Protection, eStatements

Access to nearly 30,000 Allpoint surcharge-free ATMs<sup>2</sup> nationwide and more!



<sup>1</sup>To qualify for the \$100 deposit, you must be a MTFUCU member or become a member (by opening a Savings Account with a minimum \$5 deposit) of MTFUCU and open a new Checking Account with Direct Deposit. Existing Checking Accounts are not eligible to receive the \$100 incentive. A minimum deposit of \$50 is required to open a Checking Account. For new members, you must open the Checking Account at the same time you join MTFUCU. The \$100 will be deposited after the first direct deposit into the Checking Account. Allow up to three weeks after the first direct deposit for the incentive to be applied. The direct deposit must be completed within 60 days of the account opening. "Bonus" is considered interest and may be reported to IRS Form 1099-INT. Please consult your tax advisor on any legal, tax, or financial issues related to your bonus or personal matters. MTFUCU reserves the right to cancel or change the promotions at any time. Offer ends May 31, 2019. <sup>2</sup>ATMs refer to Allpoint ATMs. Retail locations are subject to change.



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Experience the **CREDIT UNION** difference.

*Attention*  
**STUDENTS**

**\$1K** Academic Scholarship Opportunity

Apply for the Members Trust **\$1,000 Academic Scholarship** on or before Wednesday, May 1, 2019, to be eligible for consideration.

▶ Download the application and eligibility criteria at [www.MTFCU.coop](http://www.MTFCU.coop)!

