

Chicagoland2to4Flats.info

Property Analysis Worksheet

Matrix of LOAN PROGRAMS and RATES



We thank **Guaranteed Rate** for this rate information. They are the midwest's largest independent mortgage company and offer a full choice of programs along with in-house underwriting and funding.

Chicagoland2to4Flats.info is Chicago's first comprehensive web site for the multi-unit market. At www.Chicagoland2to4flats.info you will find unique tools and resources for analyzing multi-unit property. At least in the multi-unit market, it only makes sense to work with a specialist!

GENERAL FACTORS TO CONSIDER

Credit Score. Most lenders regard anything above 720 as very good and less than 600 as a serious problem! And, especially right now, your credit score counts a lot!	Why a SECOND Mortgage? With less than 20%, unless you take out TWO loans, you normally have to pay PMI (Private Mortgage Insurance).	Income/Debt. A lender will typically include 75% of rent you will collect as income and then approve you for a monthly payment no higher than 36% of your income <u>not counting debt payments</u> OR 42% <u>with them</u> .
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These sample rates were current as of 10/15/09.

1st MORTGAGE
(I.O. stands for Interest Only)

2nd MORTGAGE

Sometimes the best 2nd mortgage is a HELOC (Home Equity Line of Credit) with an interest-only minimum payment; sometimes it's better to go 30-yr fixed..



We are proud to have Guaranteed Rate as our lending partner. Guaranteed Rate is an Illinois Mortgage Licensee located at 3940 Ravenswood, Chicago, IL 60613; please contact Brian Weis (phone: 773-290-0591).

The rates shown on this chart are only SAMPLES of some commonly available, current rates and assume a good FICO score (720+) and fully-documented income; the actual rate you will qualify for may be different (based on your credit score, loan size, income/debt ratios, and other factors).

What you see here are common loan options--as the credit markets re-open we expect more options to be available..

		Common Loan Options		Amortizes:		Typical Rate:			
Owner - Occupied	2-flat options:	3.5% down	5/1 ARM	I.O.	not avail	A 96.5% FHA loan does NOT require either PMI or a 2nd Mrtge.			
			5/1 ARM	30-yr	not avail				
			30-yr Fixed	30 yr	5.125%				
		5% down	5/1 ARM	I.O.	not avail		Right now, few lenders, if any, offer <u>conventional</u> loans with less than 10% down.		
			5/1 ARM	30-yr	not avail				
	30-yr Fixed	30-yr	not avail						
	10% down	5/1 ARM	I.O.	not avail	30-yr Fixed 8.05%				
		5/1 ARM	30-yr	not avail					
	30-yr Fixed	30 yr	5.125%	For the 1st mortgage, programs and rates are typically the same as with 10% down. The only difference is that, with 20% down, there's no need for a 2nd Mortgage to avoid PMI.					
	3-4-flat options:	3.5% down	In theory, FHA financing with just 3.5% down is available, but we have found their demands for cash flow too high (85% of the rent must pay the mortgage) to make this a practical option for 3- or 4-flats.				Right now, few lenders, if any, offer <u>conventional</u> loans with less than 20% down.		
5% down		5/1 ARM	I.O.	not avail					
		5/1 ARM	30-yr	not avail					
		30-yr Fixed	30-yr	not avail					
10% down		5/1 ARM	I.O.	not avail	No 2nd mortgage or PMI is necessary with this much down.				
	5/1 ARM	30-yr	not avail						
30-yr Fixed	30 yr	5.250%							
NON Owner - Occ	2-flat options:	5% down	5/1 ARM	I.O.	not avail	Right now, few lenders, if any, offer <u>conventional</u> loans with less than 25% down.			
			5/1 ARM	30-yr	not avail				
			30-yr Fixed	30 yr	not avail				
	10% down	30-yr Fixed	30-yr	not avail	No 2nd mortgage or PMI is necessary with this much down.				
				not avail					
	25% down (or more)	30-yr Fixed	30 yr	5.88%	Right now, few lenders, if any, offer <u>conventional</u> loans with less than 25% down.				
	3-4-flat options:	10% down	5/1 ARM	I.O.		not avail			
5/1 ARM			30 yr	not avail					
30-yr Fixed	30 yr	not avail	No 2nd mortgage or PMI necessary with this much down.						
25% down (or more)	30-yr Fixed	30 yr		5.875%					

Unfortunately, the mortgage market is still incredibly tight. STATED INCOME is virtually unavailable, as is INTEREST-ONLY. If you are going OWNER-OCCUPIED, things are easier, but for 'arm-chair investors,' we are sad to report how tight things are. On the other hand, this a very strong Buyer's Market--and, if you do qualify, we are ready to trumpet your credit-worthiness.