

UNDER THE Arch



WONDER HOW THE MORTGAGE PROCESS WORKS AT GATEWAY METRO? WE'VE GOT ANSWERS!

PROVIDED BY RICH SPENCER DIRECTOR OF LENDING

Wow! What an interesting time we are in currently and that goes especially for the Real Estate Market. Buying a home is one of the most exciting things you will do in your life and will likely be one of your biggest investments. At Gateway Metro Federal Credit Union, we pride ourselves on helping our members with their mortgage needs whether it would be to purchase their dream home, refinance their home to get a better rate, or do some home improvements. Our experienced team can get your loan done quickly and conveniently.

We would like to offer some thinking points about applying for a mortgage and the steps you may want to take to make it an easier and quicker process. Here are four important things you should consider:

1) First off, have some knowledge of your credit. The health of your credit will play a big part in getting a good deal on a home loan and there are several websites to aid you with this. One of these is annualcreditreport.com which allows you to check your credit report with the three primary credit reporting agencies at least once per year at no cost. With the current pandemic, you may be able to check even more frequently. You can also use tools like Gateway Metro's Credit Sense. These products often offer at least monthly updates on your credit score and a picture of how your finances are stacking up along with tips to help manage that score. The scores provided in these products are generally based on one bureau and specific model but may vary from what a lender will pull when you actually apply for a loan. If you choose

to use one of these products, know the details behind the information so you make sure it fits your needs.

2) Have an idea of how much your household can afford. You can use the **28/36** rule which refers to your **debt to income ratio** (often referred to as DTI), or the total amount of your gross monthly income allocated to pay your debt each month. When calculating this number, include what would be on your credit report and the payment for the home you are looking at getting with taxes and insurance. Ideally, your **front end DTI**, which includes only your mortgage related expenses, should be below 28%. Your **back end ratio**, which includes the mortgage and all other debt obligations, should be below 36% but can go up to 43%. There are times when exceptions can be made for higher debt to income ratio but, this is a case by case basis.

3) Next decide on what type of loan might fit your needs. This might be either a **fixed or variable rate**. Take into consideration, if a short term or long term loan best fits your needs. Fixed rates are generally a safer bet, as you know exactly how much your mortgage payment (principle & interest excluding any escrow items like taxes and insurance) will be each month. Variable rates tend to be less expensive in the first few years of the loan. However, the rate could reset multiple times throughout the loan term. How comfortable you are with a variable rate loan generally depends on your needs for a fixed payment and how long you may be in the home. The term can be another big decision you will need to make. A shorter term

will mean paying off your loan earlier and savings on total interest charged but means you will have a higher payment. The longer term will get you a smaller payment but, you'll end up paying on the loan longer and you'll pay more interest in the long run.

Not sure which options fit your need?

This is always something you can discuss with our experienced loan officer William Cummings at Gateway Metro Federal Credit Union.

You can contact him via email or phone at WilliamC@gmfcu.org or at 314-621-4575 ext:192

4) Once you have a good feel of these things, start getting your paperwork together. You will need to provide proof of income to support your mortgage payment. Depending on your type of employment, these documents can vary. Normally we would ask for 1-2 years of W-2's and 1 month of paystubs. If self-employed, we would request 2 years of tax returns, 1099's or profit and loss statements. This can often vary based on your individual situation. If you receive any other forms of income (SSI, Pension, Child support, etc.), be prepared with documentation of these items as well. Proof of assets (bank statements, retirement, brokerage accounts, etc.), a list of liabilities (debts you may owe) and additional paperwork may be needed depending on the type of loan you are applying for. All of this information will help to make your mortgage experience easier and provide Gateway Metro Federal Credit Union more information to make a quicker decision. Still feeling overwhelmed or unsure of what the next steps may be, the Gateway Metro Federal Credit Union

mortgage team is here to help! Our team is here to answer questions, provide feedback and help walk you through the process whether you are taking on your first home loan, making the move to a smaller or larger home, looking to refinance or wanting to use your equity for home improvements. Visit our Mortgage Center at gogmfcu.org for more information or to begin your application. If you need assistance, you can schedule an appointment online or contact our Solution Center for additional information.

As always, we appreciate your membership and are here to serve you with all your financial needs.

A quote from an experienced Real Estate agent that uses Gateway Metro Federal Credit Union for her customers.

“As an active Realtor for 27 years, having the right lender is my “secret weapon” in this tough market for buyers. I consider Gateway Metro CU a pivotal partner and a true, local partnership. From the in-house underwriting & processing, fast and reliable answers and top notch service to the reachability of the loan officer at night and on weekends. No other lender offers better service and faster turnaround times. As a busy Realtor, I have to know if the loan is going to go through for my clients on both sides. Gateway Metro CU is proactive, competent and I have confidence that it will get done right, on time. No other lender does it better and I'm honored to have them in my tool box!”

LORILEE CUMMINGS
SRES, MRP
Keller Williams Realty

Lorilee Cummings, SRES, MRP
Keller Williams Realty

COULD CUSTODIAL IRAs HELP YOUNG ADULTS BUY HOMES?

Individual Retirement Arrangements (IRAs) are for retirement saving, right?

Absolutely. Is that their only purpose? Not necessarily.

Imagine using an IRA not only to save, but to facilitate a home purchase.

This would obviously be a tall order for an adult, given current home values, yearly IRA contribution limits, and the priority of amassing retirement savings. How about for a child, though? Could an IRA help them out?

This thought has led some families to open custodial Roth IRAs. You can start a Roth IRA on behalf of a child, as long as that child has "earned income" (that is, income from either a W-2 job or some kind of self-employment). The IRA belongs to the child, but until the child becomes an adult, you (or some other adult) act as the IRA's custodian.

The annual contribution limit on that Roth IRA is \$6,000 (this limit may be adjusted up in future years due to inflation). Say your kid has made \$4,000 from freelance web design, or serving up lattes at the local coffeehouse ... or working at your business. All \$4,000 could go into that IRA. That might not be the case, but whatever the amount, it may benefit from potential compounding over the next several years.

You might want to consider this possible use for a Roth IRA.

What about taxes that come with taking the money out? After-tax dollars go into Roth IRAs, and if the account is at least five years old, up to \$10,000 of the account balance (including earnings) may be withdrawn without being taxed, as long as the withdrawn amount is used for a home purchase and the IRA owner has not bought a home in the past two years. In doing this, you can even avoid the 10% tax penalty that normally comes when you take assets out of a Roth IRA before age 59½.

Plans may change, though. When a child turns 18 (or 21, in some states), a custodial IRA started on his or her behalf is no longer custodial. He or she is now the legal owner of that IRA. At that time, will the idea of using those IRA funds to buy real estate in the future seem worthwhile? Maybe, maybe not.

That young adult may just elect to keep contributing to the Roth IRA and use it as a retirement savings account. Or maybe the IRA is suddenly drained to enable the purchase of a new truck, or to fund a year abroad, or to pay for college. Choices will emerge, and parents and grandparents must be mindful of them. There is also the fact that when you withdraw assets from a tax-advantaged account, you are reducing not only the account balance, but also the account's potential degree of compounding for the future. These factors must be considered if you embrace this idea.

Remember that a Roth IRA offers tax deferral on any earnings in the account. Qualified withdrawals of earnings from the account are tax-free. Withdrawals of earnings prior to age 59 1/2 or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Limitations and restrictions may apply. Also, tax rules are constantly changing, and there is no guarantee that the tax treatment of Roth (or traditional) IRAs will remain the same.

Would you like to discuss investments or your financial goals? Reach out to Bill Anderson at 636-222-7585. Content provided by a third party not affiliated with the credit union.

ABOUT BILL



Bill has been a financial advisor since 2012, focusing on creating a client-centric experience by providing education, organization, objectivity, proactivity, accountability, and partnership.

In 2012, Bill started his financial services career at Edward Jones, providing investment services, retirement planning, protection strategies, estate planning opportunities and education savings plans for almost six years. In April of 2018, Bill moved his practice to Huntleigh Securities to provide a more customized client experience for his varied clientele and continue to grow professionally.

Since then, Bill has continued to grow his services and practice, and has expanded into offering services and advice to Gateway Metro Federal Credit Union members.

LOST CREDIT/DEBIT CARDS

If your GMFCU credit or debit card is lost, stolen or if you suspect unauthorized use, please call:

CREDIT CARD - (800) 558-3424, 24 hours a day

DEBIT CARD - (314) 621-4575 or (800) 621-4828 during business hours or (800) 472-3272, 24 hours a day.

LOAN RATES

Effective October 15th, 2021

Gateway Metro rewards our members with low rates.

VEHICLE LOANS

Approx. Payback Term	AS LOW AS Rate
up to 36 months	1.99% APR*
37 to 48 months	2.20% APR*
49 to 63 months	2.50% APR*

OTHER LOANS

	AS LOW AS
Mortgage	Visit GoGMFCU.org for current rates.
Shared Secure	2.01% APR*
Stock Secured	9.25% APR*
Signature Loans	7.99% APR*
Personal Line of Credit	12.90% APR*

*APR=Annual Percentage Rate. Rates are subject to change, and terms and conditions apply. Our website contains the most current rates. Contact GMFCU for complete details. NMLS# 410276

Upcoming Events & Holidays

NOVEMBER 6TH – SHRED DAY @ ST. PETERS

NOVEMBER 11TH – VETERANS DAY (CLOSED)

NOVEMBER 25TH – THANKSGIVING DAY (CLOSED)

All events are subject to change or cancellation due to the ongoing concerns with CoVid.

'Tis the Season for Holiday Travel

GETTING READY TO START YOUR HOLIDAY TRAVELING? DON'T FORGET TO LET US KNOW WHERE AND WHEN YOU ARE GOING SO WE CAN UPDATE YOUR ACCOUNT WITH A TRAVEL NOTICE. THIS HELPS US PROTECT YOUR ACCOUNT AGAINST UNWANTED FRAUD OR POSSIBLE RESTRICTION. YOU CAN INFORM US OF YOUR TRAVEL PLANS BY SECURE MESSAGE IN ONLINE BANKING, BY PHONE 314-621-4575 OR IN PERSON AT A BRANCH.



EXTERNAL
ACCOUNTS



CASH FLOW



BUDGETS



INVESTMENTS



GOALS

TRENDS

Get all your finances in one place so you always know where your finances stand. Trends allows you to focus on keeping your financial health prime all the time! So many features, there is no reason not to try it out today!

With Trends you can:

Add external accounts | Track your cash flow | Create a budget | Explore investments | Set a goal

Available now through our Online Banking or our Gateway Metro mobile app.



*Join Us
For Shred Day
in St. Peters!*

Last one in 2021!

Come join us for our final Shred Day of 2021. This will be a 2-in-1 Shred Day with paper AND electronic shred! Bring your unwanted documents to have them securely destroyed for FREE! Bring your unwanted electronics and have them securely destroyed, most items are accepted at no charge.*

Spin the Prize Wheel | Enter to Win a Bonfire Stove** | Grab Some Refreshments

The Butterfly Project will be accepting donations for their 2021 Charity: The Little Bit Foundation that is based in St. Louis. Donations of new socks and underwear for youth and teens is greatly appreciated to help The Little Bit Foundation provide these necessities to those under their care.

[About The Butterfly Project](#) | [About The Little Bit Foundation](#)

For more information about the Shred Day and to learn more about contest rules for the Bonfire Stove please visit us at [St. Peters Shred Event](#)

*Most electronic items are free however some will incur a fee. Visit our [Shred Event](#) page for details on items accepted and possible fees. Each person is limited to 5 boxes of personal documents for shredding. Individuals with business shred maybe declined so others in need of personal document shredding can be serviced. **Must register to be qualified to win.

**Must register to be qualified to win.

Date: November 6th

Time: 9am – 11:30am

Where: St. Peters Branch

1421 Jungermann Rd, St. Peters MO 63376

Follow Us on Social!

Did you know we have social media accounts to help keep you informed? Now that the weather is starting to shift it might be nice to stay in the loop! Check out our great content, upcoming events, weather closures, and fun contests on Facebook, Instagram, and Twitter!



INSTAGRAM

[@GatewayMetro](#)



TWITTER

[@GatewayMetro](#)



FACEBOOK

[Gateway Metro Federal CU](#)
[Gateway Metro Mortgages](#)

Congratulations to Our *AUGUST 2021* Winners!

*Want to learn how you can win free money?
Check it out!*



Visit the official STW website for details:

[STW Website](#)

Qualifying is easy!



Congratulations on your August win!

Stephanie D. - \$25 | Abdul A. - \$25



Home Equity Line of Credit

Fall in love with our low Home Equity Line of Credit rates that can save you tons of money and give you peace of mind. Guess what? Your HELOC doesn't need to go towards home improvements... you can use it for just about anything!

Holiday Shopping | Debt Consolidation | Vacations | Tuition | Last Minute Expenses |and so much more all at a lower rate than a standard personal loan! 2.95% APR* Introductory rate for 12 months | We pay your closing costs

[Click here](#) to learn more about our Home Equity Line of Credit special offer.

*Must be eligible for membership with GMFCU. Must qualify for loan based on credit worthiness. Introductory rate is applicable for first 12 months of loan. Rate is subject to change and is subject to credit qualifications. No additional discounts. Had there not been a rate discount, the applicable rate would have been 5.50% -7.00% depending on credit. The maximum payback period for the loan is 240 months. The maximum draw period is 120 months. After the Introductory Period, the APR may adjust semi-annually in the months of January or July during the life of the loan based on the Prime Rate published in The Wall Street Journal, plus a margin that is based on credit worthiness. Maximum APR is 18.00%. After the introductory period the minimum APR is 5.00%. If loan is paid off and closed within 24 months from opening of loan, member must reimburse the credit union for fees paid. These are currently estimated at \$650.00-\$900.00. Minimum advance of \$5,000.00 is required at loan closing. Cannot be combined with any other offer. Offer valid through 12/31/2021.