

5 Common Mortgage Questions Answered

The mortgage industry continues to change every day, making it difficult to sift through home options. Take a quick scan of the commonly asked questions below and gain clarity around common mortgage myths, changes in tax law, options for a lower payment and more.

[I want to lower my payment, but I have an FHA loan. What can I do?](#)

The annual mortgage insurance required on this type of mortgage can be as high as 1.75% of the mortgage amount that is included in your payment. Additionally, depending on your loan-to-value ratio, the FHA mortgage insurance premium can be difficult to remove without a full refinance of the loan. Review your current FHA mortgage loan with one of our qualified lenders and consider exploring a refinance option. Even with higher interest rates in today's market, refinancing may allow you to move out of an FHA loan and into a conventional loan structure. You may be able to reduce costly mortgage insurance, secure a different payment or select a potentially lower rate.

[If I want a lower rate, is refinancing my only option?](#)

Refinancing is not your only option to lower your monthly payment. If your current mortgage includes monthly escrows for taxes and insurance, consider getting a quote from another insurance carrier to see if you can lower your insurance premium, which can lower your overall monthly mortgage payment. During an assessment with an insurance agent your credit, claims, and home value will all be reviewed along with your overall financial goals. Be your own advocate for getting the lowest payment.

[Do I need 20% down payment to buy a home?](#)

The short answer is "no." Homeowners can put as little as 3% down depending on the loan. Although private mortgage insurance may be required, it can be canceled with provisions or when your balance automatically reaches 78% of the original appraised value. Waiting to save for a 20% down payment could result in a higher interest rate and/or higher payment than you planned. It could also result in a higher-priced home due to appreciation values occurring in many markets today and leave you with no savings after your loan closing to assist in home improvements, furniture, etc. Meet with one of our lenders to discuss your goals and finances to find the best solution for you. There are options available for homebuyers who want to buy a home with a small down payment. Consider the *Low Down Payment Loan* from Thrivent Credit Union that allows buyers to put as little as 3% down.

[Can my fixed-rate mortgage payment ever change?](#)

A fixed-rate mortgage is a good option for homebuyers who want a steady payment as the interest rate will not change. But remember: When escrowing taxes and insurance to be included in your mortgage payment, the rates for taxes and insurance change annually, which will affect your monthly mortgage payment. Consider what the taxes are in the area you're interested in and take those numbers into account when you purchase your home and consider shopping for the right insurance provider. Should your insurance rise after closing, consider researching new insurance. You may also want to reach out to your lender to see if the escrows can be released, restrictions may apply. If your budget has changed and you are able to pay your insurance and taxes upon due date vs. with your monthly payment, releasing escrows may be an option.

[How do I know what mortgage loan product is right for me?](#)

There are several loan programs available and the first step you should take is meet with a lender. Running online calculators do not always tell you all the aspects of the product and whether that product would best fit into your budget. Working with a lender to answer questions and explain how each product works is the best way to find the right product for you.

At Thrivent Credit Union, we work with families to find the mortgage that fits their lifestyle, budget, and long-term goals. We look at your big picture. We care about your future and we want your mortgage to align with your financial journey. Connect with a mortgage specialist from TCU and begin your journey to finding the right-sized home and mortgage to match.

Call TCU today at [866-596-1501](tel:866-596-1501) or visit [Thriventcu.com/mortgage](https://www.thriventcu.com/mortgage) to get started.