



# JEFF DAVIS BANK & TRUST COMPANY

March 7, 2013

**FOR IMMEDIATE RELEASE**

**Contact:** Tyler Williams, Jeff Davis Bank & Trust Co., (337) 439-3545, [tylerw@jdbank.com](mailto:tylerw@jdbank.com)  
Ashley Lemoine, Zehnder Communications, (225) 448-0754, [alemoine@z-comm.com](mailto:alemoine@z-comm.com)

## Test Your Mortgage Knowledge *What First-Time Homebuyers Need to Know*

**LAKE CHARLES, La.** – Spring is home buying season, and if you're ready to become a homeowner, test your mortgage knowledge with these true or false questions.

- **Prequalifying is more important than preapproval.**  
*False.* Prequalifying is enough to get you started, but it doesn't include a credit report and in-depth financial analysis – key elements needed for securing a loan. If you're preapproved, you'll know your loan amount, giving you leverage with sellers.
- **Securing a mortgage loan typically takes 30-40 days.**  
*True.* Preparation is the key to obtaining a loan as quickly as possible. That means buyers need the right documents from the start of the lending process -- a credit score, two recent pay stubs, past two W-2 forms and tax returns from the previous year.
- **Lenders do not require homebuyers to purchase insurance.**  
*False.* Mortgage insurance, which offers protection if a loan defaults, is required if the loan is more than 80 percent of the home's value. Lenders also require homeowners insurance, which protects borrowers and lenders in the event of fires or other disasters.
- **Closing costs are included in the down payment.**



*False.* Closing costs are separate fees that homebuyers pay and usually run about \$4,000-\$5,000. In addition to insurance, taxes, and attorney fees, closing costs also include flood insurance certification, inspections, appraisal, title insurance and escrow.

- **Small additions to monthly mortgage payments make a big difference.**  
*True.* Adding just \$25 to your monthly payment on a 30-year, \$100,000 mortgage at 4 percent interest reduces your loan by three years, yielding almost \$7,500 in savings. Jeff Davis Bank's website offers several mortgage calculators that demonstrate potential borrowing scenarios.

"Talking to a mortgage professional at the start of the home buying process is invaluable," says Mona Hastings, Jeff Davis Bank's senior vice president of mortgage lending. "Each buyer has different needs. Our experts work with you to help make sure you get the best loan and the best rate."

Jeff Davis Bank also offers additional mortgage resources, such as a homebuyer's glossary, to help ease the process for borrowers. Visit <http://www.jdbank.com/personal/loans/mortgage.html> to learn more.

Founded in Jennings in 1947, Jeff Davis Bank & Trust Co. offers full-service personal and business banking throughout southwest Louisiana. For more information, visit [www.jdbank.com](http://www.jdbank.com) or call (800) 789-5159. Member FDIC. Equal Housing Lender.

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