

Crossroads-DeKalb

Name of Georgia Newspaper

DEC 25 2008

Credit union offering mortgage benefit

Home buyers can now get a "Buy and Build" mortgage from the CDC Federal Credit Union.

The program, which is known as the 203(k) streamline loan, is made possible through the Federal Housing Administration for homebuyers to finance up to an additional \$30,000 on their mortgage to improve or upgrade their home before move-in.

The CDC FCU announced its participation in the program on Dec. 19.

John Murphy, the credit union's vice president of mortgage services, said this type of loan is uniquely targeted towards homebuyers who have a specific need in the marketplace.

"With our current economic situation, the loan is a viable option for those looking to purchase a foreclosure without the worries of additional financing," he said. "It is simply underwritten into one single loan

amount."

The loan, which can be combined with various first-time homebuyer grant programs to satisfy down payment requirements, is written at a low fixed rate for 30 years without a second mortgage or line of credit. The owner can occupy as little as 3% down-payment. Traditionally, homebuyers would first purchase a home and then, if qualified, receive an extended line of credit or loan to make additions or upgrades. The "Buy and Build" product enables homebuyers to quickly tap into funds to pay for property repairs or improvements, such as those identified by a home inspector or appraiser.

Once the loan is written, homeowners have up to 90 days to complete all work.

The mortgage is available to both members and non-members but CDC FCU members will avoid paying Intangible Taxes on Georgia properties.