



## LOCAL BANKING PARTNERS OFFER UNIQUE MORTGAGE PROGRAMS TO COMBAT ECONOMY



### Old National Bank, Great Midwest Bank, Waukesha State Bank Rise Above Rising Rates

Following a pandemic, supply chain issues, and rising prices it comes as no surprise that interest rates are on the rise. The fed's recent increase in interest rates is waging war on inflation, an effort to curtail the climbing costs we are seeing across nearly every sector.

30-year mortgage rates climbed to nearly 5.7% this past week, which may have you second-guessing your new house dreams. Is this a market correction? Will rates continue to climb? Are we simply returning to our pre-2010 normal after more than a decade of ultra-low-cost financing? Considering historical 30-year interest rates once skimmed 18%, and we spent decades regularly over 5%, perhaps today's rates aren't all that bad. As with anything...it's all in your perspective.

Despite rising rates, existing home inventory is still thin. Lenders are finding that while the demand for refinancing has cooled, the new construction lending market continues to chug along at a healthy rate. Appreciating in value, residential Real Estate remains a relatively safe place for your money, and a thin inventory of existing homes may mean this is still a great time for you to build.

We talked with three Demlang banking partners to find out what is new in the world of financing, and the unique New Construction mortgage options that continue to attract buyers. As you pursue your new home financing options, these and other lenders may find alternatives to the 30-year fixed traditional mortgage...continuing to make that dream to build a reality.



## New Construction Financing From First Midwest Bank, a division of Old National Bank

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While many banks sell the loans they originate to a more permanent mortgage home, First Midwest Bank, merging soon with Old National Bank, takes a different approach to lending with an in-house mindset.

“In business for more than 100 years, Old National has the strength of a large regional bank with more of a small business approach to financing. While many mortgages are designed to be sold off, Old National continues to hold the majority of its financing products in-house. It allows us to remain competitive and also service the customer better through the life of the loan,” Josh confidently shares.

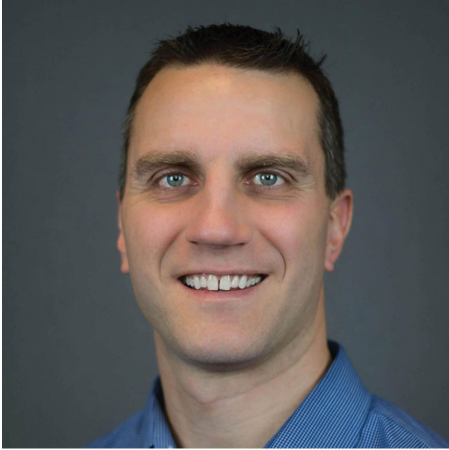
Old National’s approach means greater flexibility as well, which you’ll see in their New Construction mortgage options. “From one-time-close loans that allow you to convert to a traditional financing at the time of occupancy, to 10% down options with no PMI, we can offer more aggressive programs because we continue to service your loan for years to come,” Josh continues. “We aren’t designing mortgages to be attractive for resale, we design mortgages to be attractive to our customers,” he concludes.

While rising rates signal concern for some, Josh shared that slowing inflation may be worth a recalibration on interest rates. He suggests that there are still plenty of options when it comes to financing, but the most important first step is to shop around for the best partner for you. Josh adds, “Look for a partnership-minded approach that you won’t find with the Big Box banks. Do your due diligence in choosing a lender and understand if they will be holding your loan or selling it off because it matters.”

## Great Midwest Bank, A Local Partner with a Focus on Consumer Mortgages

**Matt Gaulke**

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Great Midwest Bank stands out in the market due to its unique business model - a consumer lending-focused bank, they do not serve the commercial market. This niche focus on mortgage and other individual lending programs allows them to take a more case-by-case approach to loan approvals and finance projects that other lenders may not have interest in.

"From self-employed individuals to job transfers and other unique income situations, Great Midwest is known for looking at the entire picture of a person's credit worthiness. It makes us a great option for people who may not qualify under a more restrictive set of requirements," Matt shares.

Matt shared with us that refinances have come to a halt with increased rates, but that brings some real positives for mortgage shoppers. "The process is much faster now. We had a real backlog in lending and this new normal has corrected the backlog. Homeowners continue to strike out and get outbid on existing homes, so we are seeing a steady flow of individuals choosing new construction," Matt adds.

Great Midwest Bank offers new construction financing with low down payment options which can allow individuals to stay in their existing homes during construction. Matt explained that "Proceeds from the sale of an existing home can't always be timed with the building process, so our bridge financing programs allow qualified buyers to start the building process without an immediate influx of equity."

While you never know what the Fed's actions will produce, Matt added that an increase in federal interest rates doesn't necessarily signal a housing market crisis. "This isn't 2008, it's a correction in which there is still a high demand for housing. Growth may have slowed, but we're not facing what we did 15 years ago," Matt optimistically added.

## Personal Service and Preferred Bank Status With



## Waukesha State Bank

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"I've been in residential mortgage lending for nearly 40 years. And today's economy is nothing we haven't seen before, in fact...it's better than a lot of times we've experienced," Jeff from Waukesha State Bank enthusiastically states.

Waukesha State Bank has been a household name since the 1940s, touting local underwriting and a personal touch. "You can't beat a local partnership when it comes to new home construction financing. The builder/banker relationship matters, the local title company partnership is critical, and being accessible for our buyers throughout the process is key. I've worked at banks where you can't get a hold of anyone and new construction financing is a mess. The local responsiveness and attention is the reason I've settled into Waukesha State Bank as my home," Jeff explains the difference.

The bank touts its preferred bank status with many builders while offering a variety of unique financing options to fit your unique situations. "Many people don't see this economic downturn as a long-range problem, which has made our adjustable ARM financing very popular. Our portfolio of ARM products, as well as options for 95% loan-to-value ratios, gives new home buyers choices - and that's what local banking is all about," Jeff concludes.

For more information on New Construction Financing, contact one of our local banking partners. They are here to help you navigate your options, while still fulfilling your building dreams amidst the post-pandemic new normal of increased costs and low inventory. The housing market remains healthy, the partnerships remain strong. It's still a good time to build.