

## *First National Bridge Loans*

**For some home buyers, building a new home involves selling an old one. That's why some borrowers look for a 'bridge loan' to span the gap between the two transactions.**

**Terms of the bridge loan can vary. Some are structured so that they completely pay off the old home's entire debt, both first and second mortgages. First National Bank offers an interest only bridge loan. The loan has a twelve month maturity, with monthly payments. The loan will be put on an amortizing basis after twelve months. Typically, the old home sells within a much shorter time frame and the loan is paid at that time.**

### *An example of a bridge loan*

**125K interest only, based on a 7.50% interest rate= \$781.25 00 per month. This does not include taxes and insurance. Those are paid by the borrower. Typically, your existing lender will refund the current escrow balance back to you to pay these items on an ongoing basis. In most cases, the bridge loan payment is substantially lower than the current payment(s)**

**We will lend up to a maximum of 90% of the current home's appraised value.**

**Credit scores must be good and no late payments on the current mortgage.**

**The proceeds will be used as the down payment on the new home being built.**

**Bridge loans typically allow buyers to move into the new home without placing cash reserves into the new home. No out of pocket funds.**

**If you have any further questions, please feel free to email me at [bbenton@fnbba.com](mailto:bbenton@fnbba.com) and or by calling 918-251-5371, ext. 333.**