

# Your NEWSLETTER



**HOLIDAY CLOSINGS:** Texell branches will be closed for the following holidays:

**Memorial Day**  
Monday, May 31

**Independence Day (observed)**  
Monday, July 5

You can still get cash at any ATM and conduct transactions through Mobile Banking, e-Branch Home Banking, or ANDI – our automated phone system.

## DREAM BIG WE'RE HERE TO HELP.

### Commercial Real Estate Loans – Buy, refinance, or use your equity.

Purchase the commercial property your business needs, or use your equity to remodel or expand as your business grows. Growth begins with Texell in just a few simple steps:

- 1. Apply** – Complete an application in-person or over the phone.
- 2. Finalize terms** – We'll work together to determine your loan amount and terms.
- 3. Gather financials** – We can help you gather any financial documentation needed.
- 4. Close your loan** – And realize your business dreams.

### ADDITIONAL DETAILS:

- Great for owner-occupied properties and multi-family investment properties
- Loan amounts between \$50,000 and \$5 million
- Financing for up to 80% of the property value
- Terms up to 15 years
- Fixed or variable rates
- No pre-payment penalties

### Local loans for local businesses.

To get started or learn more, call 254.773.1604 ext. 5161, email [businessloans@texell.org](mailto:businessloans@texell.org) or visit [Texell.org/BusinessLoans](https://www.texell.org/BusinessLoans)



## FREE TREAT FRIDAYS!

Come visit with our team members and get a free treat! Treats are available on Fridays from 1–3 pm at select branch locations. See the schedule below:

- |          |                                 |
|----------|---------------------------------|
| APRIL 2  | Hewitt, Georgetown, 31st Street |
| APRIL 9  | Hewitt, Cedar Park, Killeen     |
| APRIL 16 | Hewitt, Georgetown, Belton      |
| APRIL 23 | Hewitt, Cedar Park, West Adams  |
| APRIL 30 | Hewitt, Georgetown, Downtown    |
| MAY 7    | Hewitt, Cedar Park              |

# How to Apply FOR AN SBA LOAN

The Small Business Administration (SBA) has several loan programs to help your business. The SBA has many resources to help you start or expand your business. Below are six steps to help you navigate through your SBA Loan.

**Step 1 – Determine your eligibility.** The SBA partners with lenders like Texell to provide funding for businesses, and both lenders and loan programs have unique eligibility requirements. However, most businesses meet the eligibility requirements for an SBA loan.

According to the SBA, in general, eligibility is based on:

- What your business does to receive its income
- The character of its ownership
- Where your business operates

Typically, businesses must meet size standards, be able to repay the loan, and have a sound business purpose. Your loan officer will provide you with a full list of eligibility requirements for your loan.

**Step 2 – Determine what SBA Loan is right for you.**

You'll need to do your research to find out which SBA funding program is right for you. The information about these funding programs comes directly from the SBA website at [www.sba.gov/funding-programs/loans](http://www.sba.gov/funding-programs/loans):

- **7(A) LOAN** – This is the SBA's most common loan program and includes financial help for small businesses. It's the best option if real estate is part of a business purchase, but it can also be used for short- and long-term working capital.
- **504 LOANS** - The CDC/504 loan program provides long-term, fixed-rate financing of up to \$5 million for large fixed assets that promote business growth and job creation.
- **MICROLOANS** - The microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare facilities start up or expand. The average microloan is \$13,000.

**Step 3 – Figure out how much funding you'll need.**

This begins with developing your business plan. Research your competition, the outlook for your industry, and who your customers might be. A business plan is your roadmap to starting and managing your business. It includes:



- Information about your business
- The types of products you'll be selling or services you'll be providing
- If you plan to hire employees
- How you will promote your business
- Financial forecasting to include sales/service projections, expenditures to stock your product(s) or provide your service, payroll, and other business expenses, such as lease and utilities
- Growth strategies

If this sounds overwhelming, or you don't know where to start, the SBA can help! Visit [www.sba.gov/business-guide](http://www.sba.gov/business-guide) for an online guide to developing your business plan; from that great idea you have for a business to actually starting it.

**Step 4 – Gather your documents.** You'll also need to collect some documents. The following is not a comprehensive list, but it's a good start.

- Bank statements
- Tax returns
- Licenses and permits you may need to operate your business
- Financial statements

# LOCAL LOANS FOR LOCAL HOMES

- Accounts receivable and accounts payable
- Information on other debts and loans you may have
- The collateral you can offer
- Business plan

**Step 5 – Apply for your SBA Loan.** The process to apply for your loan starts with Texell. We would be happy to help!

Though the SBA loan application process can be time-consuming and seem complex, an SBA Loan is one of the best financing options for your small business. Texell is an SBA-authorized lender and will help guide you through the SBA loan process.

**Step 6 – Close your SBA Loan.**

Once your SBA loan is approved, Texell will have all the documents ready for you to sign. Once complete, your funds will be wired or transferred to your business bank account.

You'll have your funds and be ready to open your doors, sell your product, or provide a needed service. Be sure to stick with your business plan, stay within your budget, and keep track of all your financial information.

When you are ready to start your SBA loan, Texell is here to help. You can get more information or start your loan at [Texell.org/BusinessLoans](https://www.texell.org/BusinessLoans) or by calling 254.773.1604 ext. 5161.

Save time and money and become mortgage-free faster with our Rapid Refinance Loan. A low, fixed-rate and accelerated term means you could pay off your mortgage sooner while saving thousands of dollars in interest.

- Rates are as low as **2.60% APR**<sup>1</sup>
- 120- or 180-month term
- No closing costs for members, and \$300 fee for new members.

**Our Home Loan Heroes are standing by.**



<sup>1</sup> Annual Percentage Rate. With approved credit. Rates effective 3/11/2021 and subject to change without notice. No closing cost option available to current members. New members and members for less than six months pay a low \$300 processing fee only. Offer only valid on refinances of owner-occupied properties, 1st lien only. Not valid on new purchases, duplexes, mobile or manufactured homes. No cashout. Minimum loan amount of \$40,000 and loan-to-value cannot exceed 80%. Certain credit score, income, and payment history criteria apply. The property must have a clear title. Existing Texell mortgages, including those serviced through MidWest Mortgage, not eligible for refinance. Monthly payment per \$1,000 borrowed for 120 months at 2.60% is \$9.47. Total cost of a \$40,000 loan for 120 months is \$45,468. Individual rates will vary. Contact Texell Credit Union for complete details. NMLS #460152

## NOTICE OF AVAILABILITY

Upon request, a member is entitled to review or receive a copy of the most recent version of the following credit union documents:

1. Balance Sheet and Income Statement
2. Summary of most recent Annual Audit
3. Board policy regarding access to the articles of incorporation, bylaws, rules, guidelines and board policies
4. Internal Revenue Service Form 990

# WHY AND WHEN to Refinance Your Home

A refinance is when you replace your current mortgage with a new loan. When mortgage rates are low, refinancing might save you thousands of dollars in interest. You may want to pay off your home faster or tap into your home's equity. Consider your refinancing goals to help steer the process in the right direction from the start. There are some good reasons to refinance, but also some situations when you should not.

## HERE ARE FOUR SCENARIOS WHERE A REFINANCE CAN BE SMART:

### 1. Lower your interest rate

A lower rate can be one of the best reasons to refinance your mortgage. Interest rates may have decreased since you purchased your home, or perhaps your credit score has improved. A lower interest rate can save you money. If you can reduce your interest rate by 1–2%, it can save tens of thousands of dollars in interest over the life of the loan. It allows you to build equity in your home much faster, as more of your monthly payment goes towards paying down the principal.

### 2. Shorten your term

Many people buy a home with a 30-year mortgage loan. As your financial situation changes, you may find a 15-year mortgage easy to manage. A shorter term means you'll pay your home off much faster and save on interest. And, if rates are lower now than when you originally bought your home, you may see very little change in mortgage payment despite a significantly shorter term.

### 3. Convert an adjustable-rate to a fixed-rate mortgage

Interest rates on an adjustable-rate mortgage (ARM) typically start lower than fixed-rate mortgage terms, but the rate can change at any time. If mortgage rates decrease, that's great for you. However, if rates rise, so will your monthly payment. Converting an ARM to a fixed-rate loan offers stability by removing the possibility of future rate hikes.

### 4. Tap into equity

This is considered a "cash out" loan, and you are refinancing for more than you currently owe. You can cash out up to 80% of your home's value in Texas, minus any outstanding mortgage balance. For example, if you owe \$150,000 on your mortgage, and your home appraises at \$250,000, you could refinance up to \$200,000 and receive \$50,000 cash out. You can use this money on anything, such as home improvement and repairs, a child's college education, or debt consolidation.



## OTHER FACTORS PRESENT A DIFFERENT PICTURE FOR REFINANCING.

Here are three scenarios that may cause you to reconsider:

### 1. Moving soon

Keep in mind, a refinance works just like the mortgage when you first bought your home. There are closing costs associated with most mortgage refinances. If you plan to move anytime soon, you may not reach the break-even point. Calculate the break-even point by dividing the closing costs by the monthly savings from a new mortgage. If closing fees are \$8,000 and monthly savings are \$250, it would take 32 months to break even.

### 2. Longer time to pay off

Unless you are refinancing for a shorter term, a refinance makes the most sense earlier into your original mortgage term. If you're 10 years into a 30-year mortgage, refinancing into a new 30-year mortgage is starting over. Even with a lower interest rate, that means a lot more in interest paid before you own your home.

### 3. Debt consolidation

As mentioned above, a cash-out refinance does have benefits, primarily when you use the cash to increase your home's value. If you are using the money to pay down debt, it is only helpful if you change your spending habits that contributed to your debt in the first place. Suppose you use the loan to consolidate your debt but continue to use your credit cards. In that case, you are only making your debt situation worse.

If a home refinance is right for you, Texell's Home Loan Heroes are here to help. You can get more information and check rates on [TexellHomeLoans.com](https://www.texellhome.com), and when it's time to get approved, our online process is the best in the business. If you have questions, we are happy to help at 888.922.3001.