

# Welcome Home

With David  
and Bobbie  
Donaldson





## THE DONALDSONS


Meet the Donaldsons! David and Bobbie Donaldson live in Tampa and are Florida natives. In 2011, they joined VanDyk Mortgage and opened their own Branch office. With 30 years in the industry, they have been honored to receive and be recognized for multiple achievements. Bobbie and David rank as top professionals across the state of Florida, and they have recently expanded their footprint in California and are not stopping any time soon.



VanDyk has the culture, business model, and core values that align with the Donaldsons and their needs to provide the service level their clients deserve. VanDyk offers competitive rates, has a wide range of products and programs, and has high customer service ratings, which sets them apart from the competition.

With over 500 loans closed and a rating of 4.7/5 from past customers, Bobbie and David take great pride in their work and building relationships with their clients. Buying or refinancing a home can be stressful and overwhelming; they understand and have seen it all, but trust VanDyk Mortgage and the Donaldson Team to turn your goal of homeownership into a reality.



A modern living room with a white sofa, a glass coffee table, and decorative items. The sofa is white with a textured fabric and has two pillows: a white fur pillow on the left and a pink pleated pillow on the right. The coffee table is dark wood with a glass top and holds a small orange vase, a white lamp, a smartphone, and some papers. The background is a light-colored wall with a white shelf and a branch on the left.

The Donaldson's experience enables them to develop lending strategies that fit even outside-the-box borrowers. They are passionate about their clients and what they do. Your success is their success. From the first-time home buyer needing down payment assistance to the most complicated self-employed borrower - they understand and are here to help!

Bobbie and David strive to remain active in their community in their spare time by participating in nonprofits, such as the Center for Women, Hospice, Krewe of Algeria Kicking for Kids, and Wheels of Success. In addition, Bobbie serves as an advisory board member for the Gasparilla Festival of the Arts, and David served as President of the board of trustees for DACCO, a substance abuse nonprofit.

They also enjoy boating around the beautiful Gulf Coast, long walks, running races (it's all about the medals, right?), and cooking together! Bobbie is very active with her yoga and Pilates. The two also enjoy hiking when they travel, especially throughout California and Arizona. They are grateful for the opportunity to earn your business, and thank you for taking the time from your day to learn more about their incredible team!

Please visit our website,  
[teamdonaldson.vandykmortgage.com](http://teamdonaldson.vandykmortgage.com)  
to learn more!





## WELCOME HOME!

We are happy you chose our beautiful coast to call home. Living in the Tampa Bay area offers a dynamic and diverse lifestyle. The Tampa Bay region also includes the surrounding areas such as St. Petersburg and Clearwater, all known for our stunning beaches, vibrant arts scene, and bustling downtown areas on both sides of the bay. Tampa Bay offers a variety of attractions and activities for residents and visitors alike. Here are some key aspects of living in the Tampa Bay area:







## 1. WEATHER

Tampa Bay experiences a warm and humid subtropical climate. Summers are hot and humid and usually begin from June until September. The winters are mild temperatures and beautiful! We do like to brag when we play golf in the middle of January, wearing shorts.



## 2. BEACHES

The Tampa Bay Area is renowned for its stunning beaches, including the popular St. Pete Beach, Clearwater Beach, Fort De Soto Park, and Honeymoon Island, which are popular for sunbathing, swimming, and water activities.



### 3. URBAN LIFE - TAMPA

Tampa is a bustling city with a vibrant downtown area. The downtown district offers an array of restaurants, bars, shops, and entertainment venues. The Riverwalk, a scenic waterfront pathway, is a popular spot for walking, biking, and enjoying beautiful views of the city.



### 3. URBAN LIFE - ST. PETE

Downtown St. Petersburg is also vibrant and lively, with various restaurants, shops, galleries, and entertainment venues, such as Jannus Landing, located off 1st Ave. St. Petersburg and Tampa have a thriving arts scene, with numerous museums, galleries, and theatres. St. Petersburg is home to the renowned Salvador Dali Museum, The Don CeSar, and the recently renovated Vinoy Renaissance. Tampa has a rich cultural scene—the Tampa Museum of Art and Henry B Plant Museum.



RAYS



BUCS



LIGHTNING

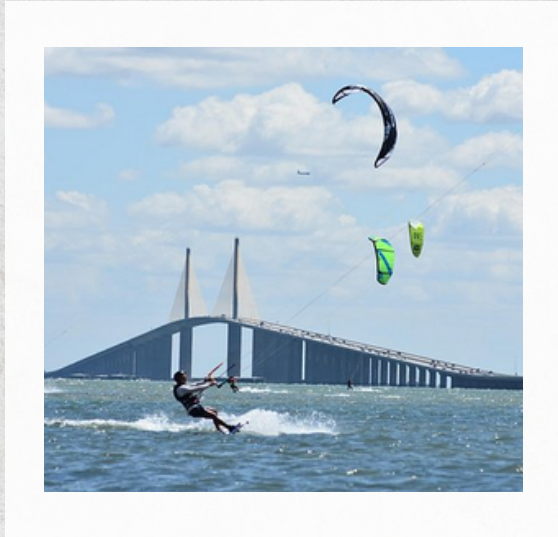
## 4. SPORTS

Tampa Bay is a sports-loving region. The area is home to professional sports teams such as the Tampa Bay Buccaneers (NFL), Tampa Bay Lightning (NHL), and Tampa Bay Rays (MLB); if you enjoy soccer, we have the Tampa Bay Rowdies located in St. Petersburg.



## 5. URBAN LIFE- TAMPA

Besides the beaches, the Tampa Bay area offers numerous opportunities for outdoor activities. Parks like Lettuce Lake Park and Al Lopez Park provide walking trails, picnic areas, and wildlife viewing. Multiple biking trails connect to adjoining counties, and you ride along the bridges for scenic water views. The nearby Hillsborough River and Weeden Island are perfect for boating, kayaking, and fishing.



## 5. URBAN LIFE - ST. PETE

The Sunken Gardens in St. Petersburg is home to a historical botanical garden. Don't own a boat or kayak? No problem; there are several places to rent kayaks, paddleboards, and motorboats. We joined the Freedom Boat Club a year ago and love it!



## 6. URBAN LIFE- TAMPA

Tampa Bay hosts numerous festivals and events annually. The Gasparilla Pirate Festival, held annually in January, has been a tradition since 1905 and is one of the largest parades alongside Macy's and the Rose Bowl. Over 300,000 spectators enjoy the pirates and beg for beads! Other Gasparilla various activities include The Gasparilla Festival of the Arts. This juried art show takes place annually on the first weekend of March and showcases over 250 artists worldwide!





## 6. URBAN LIFE- ST. PETE

The Gasparilla Music Festival, the Gasparilla Film Festival, and we even have the Gasparilla Golf Classic, The Gasparilla Race, if you are a runner/walker. It's all about the medals! The St. Pete/Clearwater area also hosts the annual Pier 60 Sugar Sand Festival, the Clearwater Jazz Holiday Festival, the St. Pete Pride Parade, and the Firestone Grand Prix (Indy Car race). You will also find that both cities have Wine and Food Festivals, among others.



## 7. FAMILY-FRIENDLY - TAMPA

The Tampa Bay area is known for being family-friendly. It has a variety of attractions for children, including the Florida Aquarium, Busch Gardens, and the Glazer Children's Museum. St. Petersburg has a diverse and welcoming community. The city values the arts, outdoor activities, and a laid-back lifestyle.



## 8. COST OF LIVING - TAMPA

The cost of living in the Tampa Bay area is relatively affordable compared to other major cities in Florida. While certain neighborhoods or waterfront properties can be more expensive, the overall cost of housing, healthcare, and groceries is generally reasonable.



Living in the Tampa Bay Area, Florida, offers a combination of beautiful beaches, cultural attractions, and a relaxed atmosphere. The area provides residents and visitors with a high quality of life with its warm climate, outdoor amenities, and vibrant communities.

Welcome home! We know you will love it here.

-THE DONALDSONS





Throughout our lengthy tenure in the mortgage industry, David and I have seen almost everything! No question is a “bad” question throughout the homeownership process; we are here to help and guide you! Below are some of the most frequently asked questions throughout the mortgage process. We compiled this list because we thought it might be helpful for our borrowers to refer to throughout their journey. All these questions may not apply to you directly, as every borrower is unique and is in their individual situation, but we hope you find this helpful information.

## 1. "HOW DO YOU CALCULATE INCOME FOR SELF-EMPLOYED BORROWERS?"

We use the last two years' tax returns to calculate income for borrowers. We will also need two years' tax returns for any other business you own, LLC or C-corps, unless the K-1 issued shows less than 25% ownership.

## 2. "I MAKE MORE MONEY THAN THAT, WHY IS MY INCOME NOT HIGHER?"

The income typically used is the adjusted gross income as a starting point. For a mortgage loan, we do not use the revenue for the business's income; we use the net income amount after expenses. For self-employed borrowers, the income is different from the gross revenue. For example, "I made \$200,000 last year; why do you have my income as \$100,000?" The revenue coming into the business was \$200,000; however, the net income after expenses was \$100,000, the number used to qualify as income for a mortgage loan.

### 3. "SOME OF MY EXPENSES ARE NOT AS HIGH AS I HAVE ON THE TAX RETURNS, WHY CAN THAT NOT BE TAKEN INTO CONSIDERATION?"

During the 2008 to 2010 financial crises and the Great Recession, lending regulations for lenders changed. Congress wrote a 13,000-page document to ensure that banks and mortgage lending would never put the country into our situation during the Great Recession. One of the rules was using tax returns, as the tax returns provided by the borrower are checked and confirmed by the IRS as accurate. This rule was one of the positive rule changes, as a rule cut down on fraud. However, the tax returns are analyzed, and the return numbers are used to determine income.



#### **4. "ARE THERE OTHER OPTIONS FOR A MORTGAGE IF I DO NOT SUPPLY TAX RETURNS?"**

There are other programs available that do not require tax returns for income. One example is a bank statement loan. If your business has existed for two years, you can provide 12 or 24 months of business or personal bank statements. We divide the deposits in half, and the amount left becomes income. If you own 50% of the company, you will get 50% of the amount left.

#### **5. "HOW MANY YEARS MUST I HAVE BEEN SELF-EMPLOYED TO QUALIFY FOR A MORTGAGE?"**

Typically, you need to be self-employed for two years, as we need two years of tax returns to analyze and determine the qualified income used.

## 6. "I HAVE BEEN SELF-EMPLOYED FOR LESS THAN TWO YEARS; CAN I GET A MORTGAGE?"

You could get approval with a higher credit score and a larger down payment; however, two years of self-employment is usually required.

## 7. "IS 1099 INCOME LIKE W-2 INCOME?"

1099 income is self-employed income, as you can deduct expenses. After deducting expenses, we will use two years' tax returns to determine the qualifying income. W-2 is not self-employed income, and the amount on the W-2 is used for qualifying. Most W-2 borrowers only need two years of W-2 and do not need tax returns.

## 8. "HOW IS COMMISSION INCOME CALCULATED?"

The 2-year rule is also used for commission income. Even though commission income is not self-employed, it can fluctuate from one year to the next. Therefore, we calculate commission income by doing a 2-year average. If you have a bonus as income, we also do a 2-year average to determine the income used to qualify.

## 9. "I HAVE AN LLC THAT DOES NOT DO ANYTHING, BUT I HAVE WRITE-OFFS, AND IT HAS A NEGATIVE INCOME NUMBER; HOW DOES THAT AFFECT MY INCOME?"

LLCs that show a loss on the tax return will be calculated into the overall income even if the LLC does not lose money. This is because the tax returns show a loss, and we use tax returns to determine the income.

## 10. "I SOLD AN ASSET AND HAVE CAPITAL GAINS INCOME; DOES THAT COUNT AS INCOME?"

We would use a 2-year average of the capital gain income to determine income, and we need to show the likelihood of continuing that income. For example, if you sold stock yearly and had a capital gain for the 2-year average of \$12,000 a year, we need to show where you still have enough stock left to sell to maintain the capital gain income for the next three years. Another example is if you sold a piece of property and it was the only property you owned, it would be considered a one-time event, and we would not use the capital gains income. For example, today, cryptocurrency is a typical capital gain. If you sold all your crypto and made \$40,000, you no longer have crypto to trade, and there is not a 3-year likelihood of a continuance of that \$40,000 capital gains income, and you, therefore, cannot use it.

## 11. "I HAVE DIVIDEND INCOME EVERY YEAR; DOES THAT COUNT AS INCOME?"

Yes, dividend income will count. We use the 2-year average of that income and need to show where you have the asset paying the income to ensure we have the 3-year continuance.

## 12. "I HAVE SEVERAL REAL ESTATE PROPERTIES THAT I RENT AND DEPRECIATE EVERY YEAR; HOW DOES THAT AFFECT MY INCOME?"

Most rental properties break even or have a slight loss; however, we add back the depreciation as that is a paper loss, not an actual expense like real estate taxes. Most of the time, the cost of the rental properties offset the expenses. However, the rental income may be lower than the rental cash flow as we use the tax returns to evaluate the income. Real estate income is the net rental income after deducting the expenses on the tax return and adding the depreciation expense.

### 13. "IF I AM SELF-EMPLOYED AND WANT TO BUY A HOME, HOW DO I GET STARTED TO SEE IF I QUALIFY?"

Talk to a mortgage professional like myself and complete an application! You also need to supply tax returns to be reviewed and analyzed. Once I have everything I need, I can discuss options for a mortgage loan based on the income used to buy underwriting. The worst thing you can do is have your tax returns reviewed by someone without the expertise to understand what they are reviewing. Thinking you qualify to buy a certain price home only to find out later that you do not qualify for that price is frustrating and unnecessary if your returns have been appropriately reviewed by a professional like myself.





We offer a wide range of mortgage products, as we understand that every borrower is unique. People ask me all the time if the mortgage process is complicated. The answer is no; it is easy if you are working with an experienced mortgage professional. While the process may be lengthy and unlike anything you have gone through before, working with an experienced mortgage professional makes all the difference and can positively impact your experience.

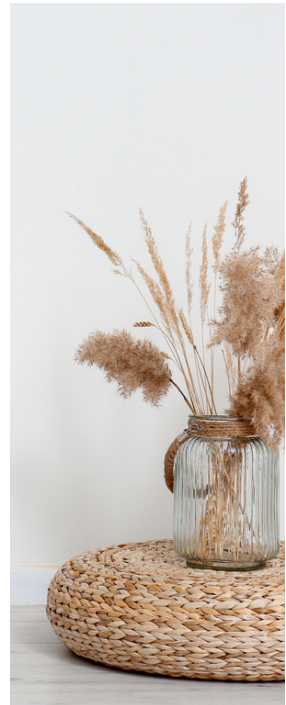
# Products



In my opinion, 90% of all mortgages are straightforward. The other 10% may require additional documentation, but it is just paper. The other 10% may be challenging for one reason or another. Just remember that you are trying to borrow a large amount of money, and there is an approval process, and lenders want to be paid back and will require documentation for loan approval.

The three main items needed to qualify for a mortgage loan are as follows and can be easily checked off the list of required documents:

- Income
- Verification of funds
- Credit Report and Score



# INCOME



Your **income** needs to be verified and documented. The documentation can differ for different employment types depending on your employment. 80% of borrowers are w-2, and we obtain two years' w-2 and 30 days of paystubs to verify income, check, and done. I will discuss self-employed borrowers later, but more documentation is needed, but it is always something you can obtain.

## VERIFYING FUNDS



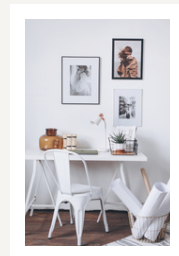
**Verification of funds** to close typically is done with two months of banking or investment statements. Sometimes, we may have to verify that some investment is being sold, but that is another set of paperwork once the asset is sold. Gifts for family members are allowed to help with buying a home. We have a process to verify the gift, but again, it is another small paperwork step.

## CREDIT REPORT & SCORE



The last item is your **credit report and score**; we pull it, so check and done. We do have the ability to re-score a credit score to improve the number. The higher your credit score, the lower your interest rate will be. I discuss my clients' credit situation with them, and sometimes, I recommend what they can do to help improve their scores before I pull a report.

Other items, such as compliance documents, will be needed, but we will provide those to you and explain any questions you may have. The mortgage process is relatively easy. It may feel complex at times, but we are here to help you accomplish your goal of homeownership. Our company makes applying easy on a secure site; you may apply using your phone if you'd like. We also have a safe and secure way for you to upload documents with a few clicks of a button. Most people can complete the application and upload the documents within an hour.



As a direct mortgage lender for all agency loans and a mortgage broker, we can offer all the loans available in the market. Most borrowers will obtain one of four loans through the agencies. Agency loans are bundled and sold to investors on Wall Street as mortgage-back securities.

Fannie Mae and Freddie Mac do the same thing, and those are called conventional loans. You can put as little as 3% down with these loans.

Private Mortgage Insurance (PMI) is required for all loans with less than 20% as a down payment. PMI covers the lender in the event of a loan default, paying the loan down to 80% LTV. The more you put down, the lower the cost for the PMI. The PMI goes away once the loan gets paid down the 80% LTV amount.



## FHA LOANS



**FHA loans** were designed as a way for homeowners to obtain a home with a lower down payment and a lower monthly payment. FHA loans require a 3.5% down payment. The PMI insurance is paid in two parts. One is an upfront cost as a fee, but that fee is financed into the loan, not out of the borrower's pocket. The second part is the monthly PMI as part of your monthly payment. The monthly cost for PMI is lower for this loan because of the upfront fee already paid for PMI.

## VA LOANS

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**VA loans** are only available to current active military and past military veterans. Let me start by thanking you for your service, as we are truly blessed to have so many defend our freedoms. The VA loans allow for 100% loan to value; there is no down payment required. Also, there is not any Private Mortgage Insurance (PMI). The loan has a government guarantee and is usually the lowest rate available for a mortgage loan. A VA funding fee is financed into the loan and can differ depending on whether this is your first use for a VA loan or a successive use.

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## JUMBO LOANS

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Only some people will fit all lender qualifications. Lenders or investors look at numerous items, loan to value, assets after closing, and credit score; we need a complete file to find the best lender you specifically qualify with. One lender may turn you down, yet another may approve you; it is best to understand and know the approvable options up front.

There are alternative mortgage options that I will touch on in a separate section.

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OUR  
PROCESS

We offer various programs for various needs, as we understand that each buyer is unique and has unique circumstances. For example, we have lot loans if you need to buy a lot to build a home. In addition, we have Construction to permanent loans that allow you to hire a contractor and build a home.

Alternative programs are available if you do not qualify for one of the previously mentioned 5 "standard" mortgages. You can expect to pay a higher interest rate and need a larger down payment. Some loans will help you to buy a home that, for one reason or another, you do not qualify for with the other programs. Most do not use tax returns.

variety



## BANK STATEMENT LOAN

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**Bank statement loans** are for self-employed borrowers. I touched on this program earlier, but you use personal or business bank statements, not both, add up the deposits for 12 months, divide by 2, and use that number for income to qualify. Many self-employed borrowers try to lower their tax burden by reducing their income. If more income is needed to qualify, this is the next option we go to, and often, this option works when the tax returns do not.

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## DSCR LOANS

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**Debt Service Coverage Ratio loans, or DSCR loans,** are only for investment/rental properties; you also must currently own a primary home. In addition, you must have 20% as a down payment. The appraiser who does the appraisal on the property will include a market opinion of current market rents; if the rent covers the principle, interest, taxes, and insurance, PITI, you qualify for the loan; we do not need tax returns for this loan.

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## TRUE, NO-DOC LOAN



**An actual no-doc loan** is a costly loan as it has upfront points. A point is 1% of the loan amount. So, you can expect to pay 4 to 5 points for this loan. You must also put 25% to 30% down, but there is not any documentation; they lend you the money.

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## ASSET DEPLETION LOAN

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An **asset depletion loan** is best used when you have enough assets to withdraw and cover the cost associated with the property for five years. There are not any tax returns required for these loans.

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# ALL ABOUT INTEREST RATES

A little history about interest rates, rule number 1, and there is only one rule: **interest rates go up and down and typically in cycles.**

Currently, we are in an upcycle that is driven by the economy. The economy is typically what moves rates. From 1971 to 2023, the average 30-year fixed rate was 7.75%. In 1981, rates hit a high of 18.63%, and in January 2021, rates hit a low of 2.65%.

Over the last 15 years, we have had low interest rates. The low rates were caused by two unusual events not typical of the economy's natural cycles. The 2008 housing bubble and financial crisis that led to what was known as the "Great Recession" was the first one. The government jumped in and spent trillions of dollars to drive interest rates down artificially. Then, around 2018, they slowed that down, and rates went up normally.



Then, in 2020, we had the pandemic and shut the economy down; again, the government spent to drive rates back down to keep the economy from collapsing, and it worked at the time. Now, we are paying for all that money spent with the highest inflation in 40 years and interest rates moving higher to the 7% range. I am often asked if rates will go back down.



To keep it simple, **yes, rates will go back down at some point as rates move in cycles**; however, they will not get back down to the low levels we had several years ago for a long time. It would take artificial government spending to drive rates back to the level where a 3 was the first number in the rate, and the government will not do that. The 3% or 4% rate was excellent but not a normal economic rate cycle. I will call that a victory if we get back into the 5% range in a year or so.

Most of the time, the first question someone asks is, what is the current interest rate? I can give a range, but I have yet to find out. Interest rates adjust for credit score, how much money you're putting down, loan amount, and property classification. We must have some information to determine your interest rate. The rate for a purchase of a primary home with 5% down is different from the rate for a second home with 20% down. I tell people you can always have any rate you want, depending on how much money you want to spend for that rate. A \$500,000 loan may have a rate of 6.5%, but if you spend \$7,500 to buy the rate down, you can get 6%. Everyone wants the lowest interest rate they can get; however, you first need to understand your rate and the cost that goes with that rate.

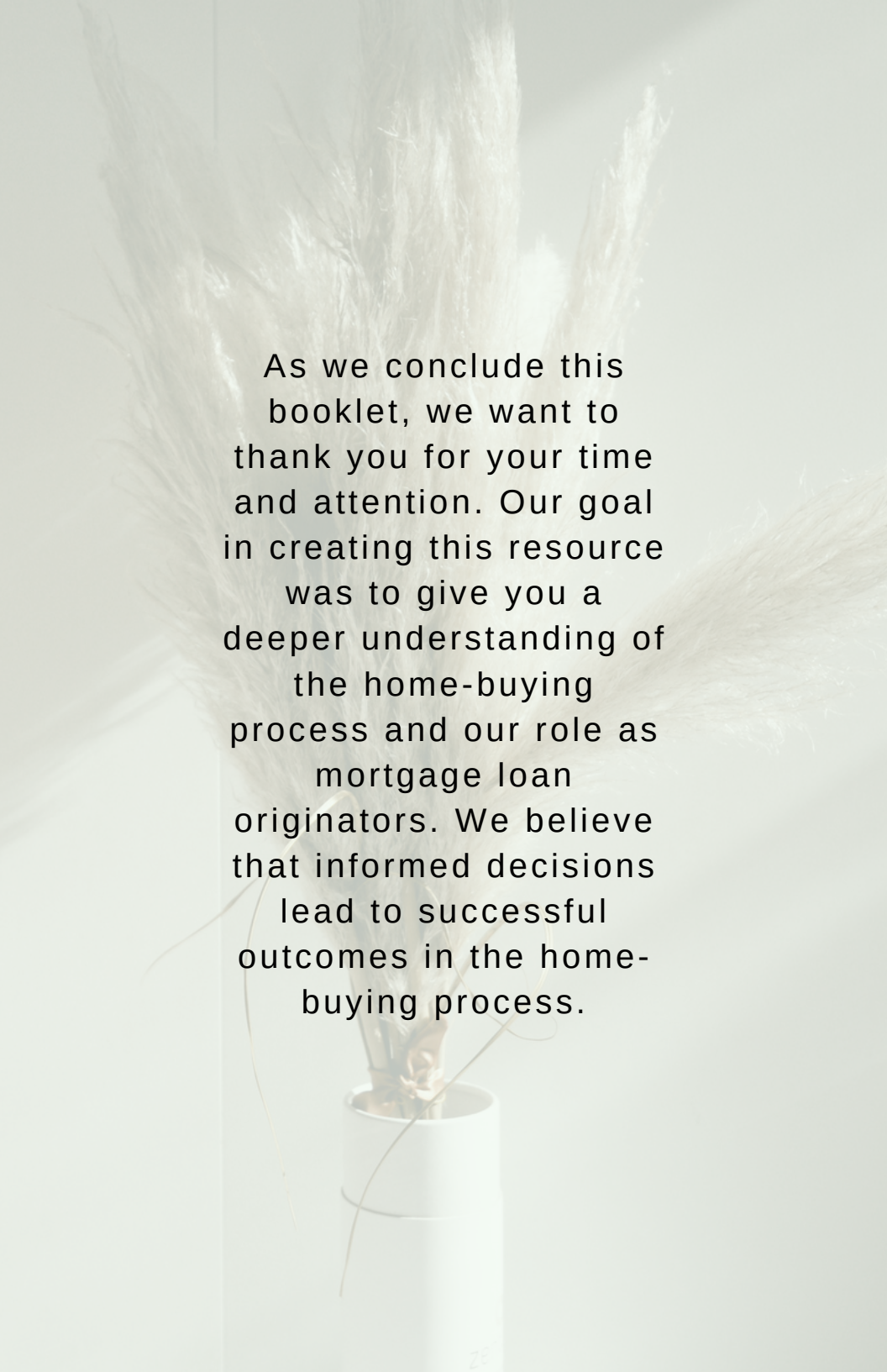
The second thing you must consider is the current interest rate market and what can influence interest rates going up or down at any given time. Again, this is where talking to someone with expertise in understanding the market, economy, and what may influence rates is valuable.

When you buy a home, it is for a need, primary residence, or vacation home, and the interest rate at the time is what you will pay to borrow money to buy that home. You can refinance to a lower rate if, given an interest rate cycle, rates go down, and it makes sense to do so. When buying a home, you can save on the cost of the rate by understanding your current economic cycle and what economic data may influence a rate going up or down. We discuss this with all our clients to give them the best advice on when to lock into a loan rate.

Interest rates move in cycles and will go up and down over time. The economy also moves in cycles, and since 1955, there have been ten recessions. Every time leading up to a recession, interest rates have increased, and interest rates move lower once we enter a recession.

In 2022, rates started to increase, and we expect to enter a recession in late 2023 and early 2024. We expect interest rates to also move lower during middle-to-late 2024. From 2008 to 2010, we had the Great Recession. The Federal Reserve put billions of dollars into the system to drive interest rates low and kept them down for an extended period. In 2018, they started to back off their policy, and rates began to move higher as part of the normal cycle, but two years later, we had the COVID-19 pandemic hit. They fed even more money into driving rates down to save the economy in 2020. Interest rates hit an all-time low of 2.5% in 2021.

The pandemic was not a regular cycle, and the 2008 to 2010 event was not typical either. Unless an event is not part of a normal economic cycle, rates will not get back to the recent lows we have seen. Since 1970, the average 30-year fixed rate has been around 7%, around where rates are today. If rates reach 6% or 5.5%, that is a historically low rate.



As we conclude this booklet, we want to thank you for your time and attention. Our goal in creating this resource was to give you a deeper understanding of the home-buying process and our role as mortgage loan originators. We believe that informed decisions lead to successful outcomes in the home-buying process.



At VanDyk Mortgage, our dedicated team guides you through the complexities of obtaining a mortgage and ensures a smooth and stress-free experience. If you're a Realtor, we invite you to explore the advantages of partnering with VanDyk Mortgage to offer exceptional service to your clients. If you're a homebuyer, we are excited to offer our expertise and personalized assistance in turning your homeownership dreams into a reality. We are ready to provide you with exceptional service. Please reach out to us today to start your home-buying journey with confidence and help us to help you achieve your homeownership goals.



THE DONALDSONS





**David Donaldson**

Branch Manager

ddonaldson@vandykmortgage.com

813-230-3433

NMLS#506528, FL#LO10267

**Bobbie Donaldson**

Branch Manager

bdonaldson@vandykmortgage.com

NMLS#816798

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