

TEXAS FINANCIAL BLUEPRINT

A COMPLETE GUIDE TO FINANCING
SWIMMING POOLS



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ASSESSING YOUR FINANCIAL SITUATION FOR SWIMMING POOL FINANCING

When considering financing for a swimming pool project, it's crucial to assess your current financial situation to determine what you can afford and how much you can comfortably borrow. By following these steps, you'll gain a clear understanding of your financial standing and make informed decisions regarding your pool financing.

Determine Your Budget

The first step in assessing your financial situation is to establish a realistic budget for your swimming pool project. Consider your income, existing expenses, and financial goals. Take some time to evaluate your monthly cash flow and determine how much you can comfortably allocate towards loan payments. Keep in mind that a pool will also come with additional costs like maintenance, water bills, and potential increases in insurance premiums.

Evaluate Your Credit Score

Your credit score plays a vital role in securing favorable financing terms. Lenders use credit scores to assess your creditworthiness and determine the interest rates they offer you. Obtain a copy of your credit report from one of the major credit bureaus and review it for any errors or discrepancies. If you have a low credit score, take steps to improve it before applying for a loan. Paying bills on time, reducing credit card balances, and keeping credit utilization low can help improve your creditworthiness.

Calculate Borrowing Capacity:

Once you have determined your budget and evaluated your credit score, it's time to calculate how much you can borrow for the swimming pool. Lenders typically use a debt-to-income ratio (DTI) to assess your borrowing capacity. This ratio compares your monthly debt payments to your gross monthly income. Most lenders prefer a DTI ratio below 43%, but the lower, the better. Calculate your DTI by adding up your monthly debts (such as mortgage, car loans, credit card payments) and dividing it by your monthly income. This will give you a good sense of how much you can allocate towards a pool loan.

Consider Down Payment Options

Some lenders may require a down payment for a swimming pool loan, while others offer 100% financing. Assess your savings and determine if you can contribute a down payment to reduce the loan amount. A down payment can also demonstrate your commitment and improve your chances of securing better loan terms. If you plan to use savings for the down payment, ensure you have enough left for emergencies or unexpected expenses.

Evaluate Your Financial Goals:

Before taking on additional debt, it's essential to evaluate your financial goals. Consider your short-term and long-term objectives, such as saving for retirement, paying off existing debts, or funding college education. Prioritize these goals and determine if taking a loan for a pool aligns with your overall financial plan. It may be necessary to adjust your budget, timeline, or expectations to accommodate both your pool project and other financial objectives.

SEEK PROFESSIONAL ADVICE

If you're uncertain about assessing your financial situation or need guidance on pool financing, consider consulting with a financial advisor. A financial advisor can provide personalized advice based on your unique circumstances and help you make informed decisions. They can help you analyze your budget, evaluate loan options, and provide recommendations to achieve your financial goals while funding your pool project.

Taking the time to assess your financial situation before seeking swimming pool financing is crucial for making informed decisions. By determining your budget, evaluating your credit score, calculating your borrowing capacity, considering down payment options, evaluating your financial goals, and seeking professional advice, you'll be well-prepared to secure the right financing for your swimming pool project.

Remember, each individual's financial situation is unique, and it's important to tailor your assessment to your specific circumstances.

IMPORTANT NOTE

Now is the time you need to choose a professional pool builder and provide them with your LEGAL SURVEY with a stamp so it can be determined if you can even have a pool in your backyard. **A swimming pool building expert can look at your survey and determine quickly if easements or certain restrictions in your area or property could prevent you from building or digging. This BIG step can help prevent a lot of wasted time and it will help with your finances too.**

Your lender will usually want a completed design and quote from a reputable pool builder.



RESEARCHING FINANCIAL COMPANIES

When it comes to securing financing for your swimming pool, it's essential to research and compare different financial companies to find the best terms and rates. By following these steps, you'll be able to identify reputable lenders who specialize in pool financing and make an informed decision.

Start with Local Banks and Credit Unions

Begin your research by exploring local banks and credit unions in your area. These financial institutions often offer competitive rates and personalized service to their customers. Visit their websites or contact their loan officers to inquire about their pool financing options. Ask about interest rates, loan terms, and any specific requirements they may have for swimming pool loans. Local banks and credit unions may also have a better understanding of the local pool industry, making the process smoother.

Look for Specialized Lender

In addition to traditional banks and credit unions, there are specialized lenders who focus on home improvement loans or pool financing. These lenders have experience dealing with pool projects and may offer more tailored loan products. Search online for lenders who specialize in pool financing or home improvement loans. Read reviews and check their credibility with organizations like the Better Business Bureau. Look for lenders that have a strong track record, positive customer feedback, and transparent terms.



Consider Online Lenders

Online lenders have become increasingly popular due to their convenience and competitive rates. These lenders offer unsecured personal loans that can be used for various purposes, including pool financing. Research reputable online lenders and compare their loan terms, interest rates, and customer reviews.

Look for lenders that have a streamlined application process, fast approval times, and excellent customer service. Keep in mind that online lenders may have stricter eligibility criteria and higher interest rates for unsecured loans than more conventional banks and lenders. Also, just because a conventional lender offers online services, doesn't make them an online bank. They just have an online application process too. Online Lenders are strictly online.



ASSESS INTEREST RATES AND TERMS:

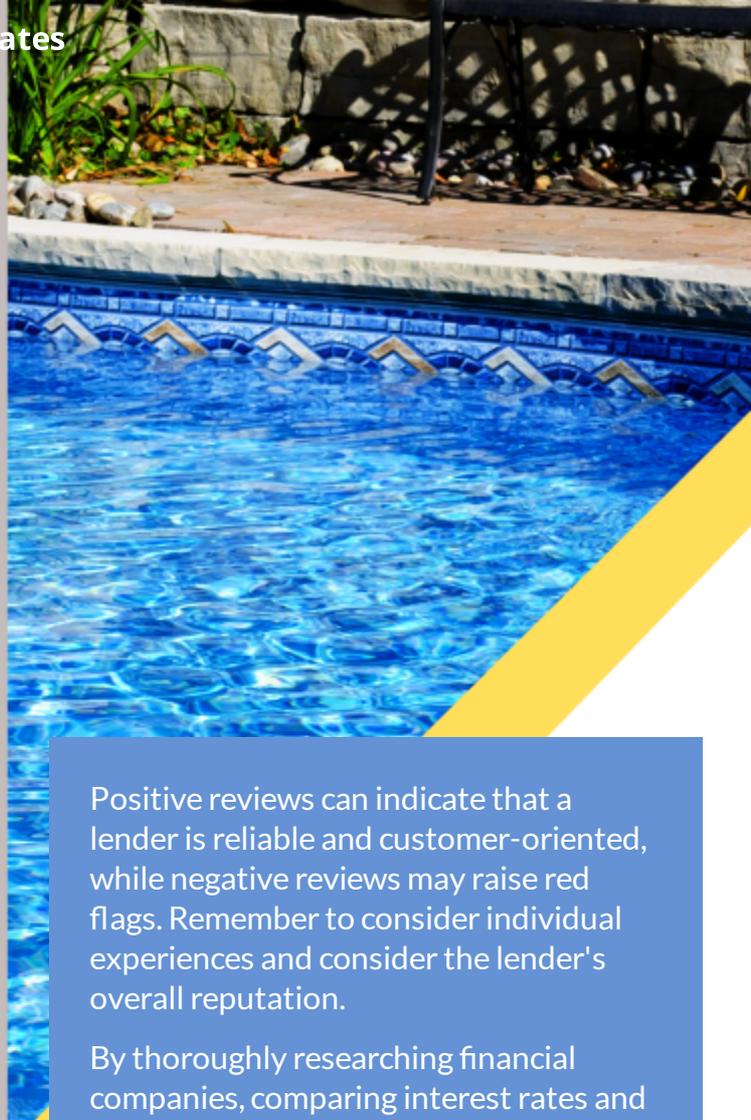
When researching financial companies, pay close attention to the interest rates and loan terms they offer. Interest rates can significantly impact the overall cost of your pool loan, so it's crucial to find the most competitive rates available. Compare the Annual Percentage Rate (APR) of different lenders, which includes both the interest rate and any additional fees. Look for lenders that offer fixed interest rates, as they provide stability and predictability over the life of the loan. Additionally, consider the loan term and monthly payments to ensure they align with your budget and financial goals.

Check Eligibility Requirements:

Each financial company may have specific eligibility requirements for their pool financing options. These requirements may include a minimum credit score, income verification, and debt-to-income ratio. Make sure you meet the eligibility criteria before applying for a loan to avoid unnecessary rejections that could harm your credit. If you find that your credit score or financial situation doesn't meet the requirements of certain lenders, focus on those that are more lenient or offer specialized loan programs for individuals with less-than-perfect credit. This will prevent a lot of heartache and wasted time.

Read Customer Reviews and Testimonials:

To get a better understanding of the customer experience with different lenders, read online reviews and testimonials. Look for reputable review websites or forums where borrowers share their experiences. Pay attention to feedback related to customer service, responsiveness, and overall satisfaction with the loan process.



Positive reviews can indicate that a lender is reliable and customer-oriented, while negative reviews may raise red flags. Remember to consider individual experiences and consider the lender's overall reputation.

By thoroughly researching financial companies, comparing interest rates and terms, checking eligibility requirements, and reading customer reviews, you'll be well-equipped to select the right lender for your swimming pool financing needs. Remember that finding the best lender requires time and effort, but the reward is securing financing that suits your budget and objectives.

Please note that the availability of financial companies and loan options may vary depending on your location and individual circumstances. It's important to tailor your research to your specific needs and consult with professionals when necessary. At the end of this book, there will be some recommendations for swimming pool financing companies. Still, there are always unique circumstances in your finances that should always be considered.

GATHERING NECESSARY DOCUMENTATION

When applying for financing for your swimming pool, it's important to gather and organize the necessary documentation to support your loan application. Providing complete and accurate documentation will help lenders assess your eligibility and expedite the loan approval process. By following these steps, you can ensure that you have all the required paperwork ready when applying for swimming pool financing.

Income Verification

Lenders typically require proof of income to assess your ability to repay the loan. Gather documents such as recent pay stubs, W-2 forms, or income tax returns to verify your income. If you are self-employed, you may need to provide additional documentation, such as profit and loss statements, bank statements, or tax returns for your business. Ensure that your income documentation covers a sufficient period, usually the past two years, to demonstrate stability and consistency.

Bank Statements

Lenders may request bank statements to assess your financial stability and cash flow. Gather statements for your checking and savings accounts for the past few months. These statements should clearly show your account balances, transaction history, and any other relevant financial information. Organize the statements in chronological order to provide a clear picture of your financial situation.



FOCUS ON ORGANIZATIONAL SKILLS.

Tax Returns

Prepare copies of your personal income tax returns for the past two years. Lenders may request these returns to verify your income, identify any additional sources of income, and assess your overall financial health. Include all schedules and attachments that accompany your tax returns, as they provide a comprehensive understanding of your financial situation.



FINDING YOUR DOCUMENTS!

Pool Project Estimates

To support your loan application, obtain detailed estimates for your swimming pool project from reputable contractors. These estimates should include a breakdown of all costs, such as materials, labor, permits, and any additional expenses associated with the pool installation. Ensure that the estimates are itemized and clearly outline the scope of work to avoid any confusion during the loan review process.

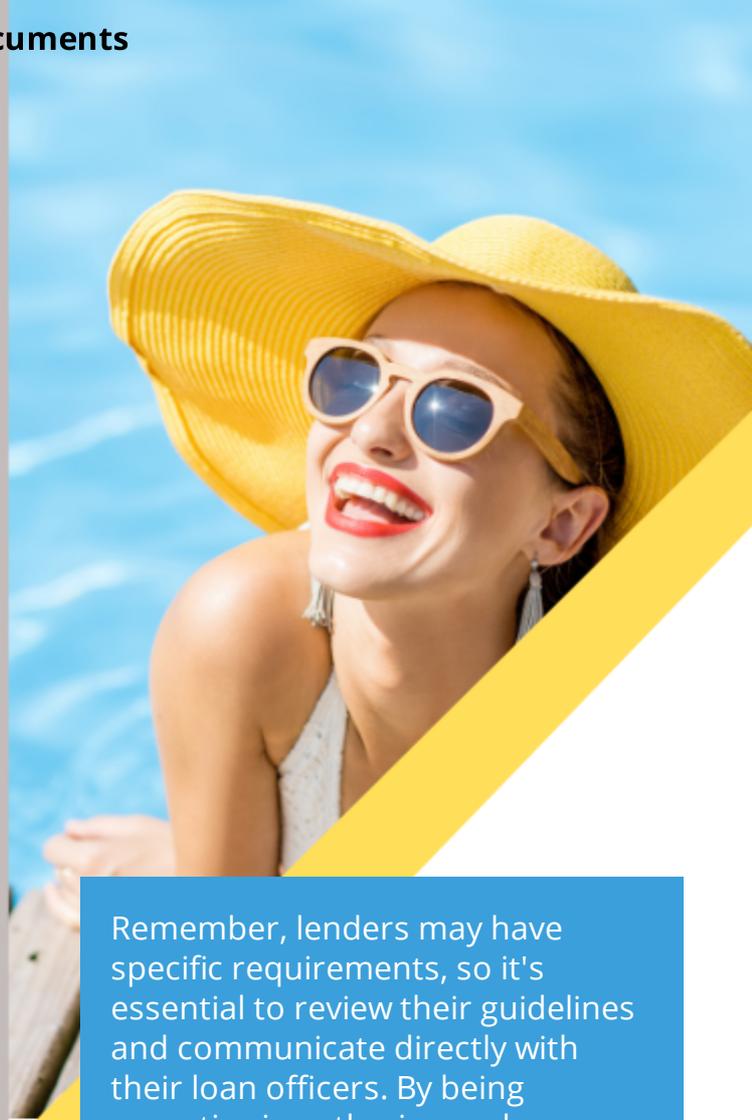
Proof of Homeownership

If you own the property where the swimming pool will be installed, provide proof of homeownership. This can include a copy of your mortgage statement, property tax bill, or property deed. Lenders need proof that you have ownership rights to the property as, it is proof of collateral for a personal or an equity loan.

Identification and Personal Information

Prepare copies of your valid identification documents, such as a driver's license or passport. Lenders require this information to verify your identity and confirm your personal details. Additionally, have your social security number, contact information, and proof of address readily available.

Other Relevant Documentation: Depending on the lender's requirements and your unique circumstances, there may be additional documentation needed. For example, if you have existing debts, provide statements or loan agreements for those debts. If you have a co-borrower, gather their income verification and identification documents as well. It's better to be over-prepared and provide more documentation than requested, as it demonstrates your commitment and professionalism.



Remember, lenders may have specific requirements, so it's essential to review their guidelines and communicate directly with their loan officers. By being proactive in gathering and organizing the necessary documentation, you'll streamline the loan application process and increase your chances of obtaining financing for your swimming pool project.

Please note that the required documentation may vary depending on the lender and your specific financial situation. Consult with your chosen financial institution to confirm their specific requirements and tailor your document collection accordingly.

COMPARING LOAN OPTIONS | FINE PRINT

Here is what is important in this section. It may sound like this section is just repeating things but actually, it's a checklist to compare what you thought you heard, by actually reading the loan offer the bank offered. It's more than just the fine print but the fine print is a big part.



Compare Interest Rate

One of the most crucial factors to consider when comparing loan options is the interest rate. The interest rate directly affects the total cost of the loan, so aim to secure the lowest rate possible. Compare the Annual Percentage Rate (APR), which includes both the interest rate and any additional fees, to get a more accurate representation of the total cost of the loan.

Pay attention to whether the interest rate is **fixed or variable**. Fixed rates provide stability, while variable rates may fluctuate over time with interest changes. Many times you will be offered a variable rate because it's cheaper upfront, but if the interest rates in the market go higher, so does your loan. Considering interest rates have doubled between 2020 and 2023, you might have a crazy loan payment. If you are paying for a couple of years on a fixed note and interest rates go lower, you could opt for refinancing to get the lowest rate.

Evaluate Loan Terms:

Assess the loan terms offered by each lender. Consider the loan term, which is the length of time you have to repay the loan. Longer loan terms may result in lower monthly payments but can increase the overall interest paid, so your project costs much more. Shorter loan terms may have higher monthly payments but can save you money on interest in the long run. Scrutinize the loan repayment schedule and ensure it aligns with your budget and financial goals.

Read the Fine Print:

Thoroughly review the terms and conditions of each loan offer. Pay attention to any potential hidden clauses or restrictions that may impact your borrowing experience.

Understand the consequences of late payments, default, or early repayment. Ensure you are comfortable with the lender's policies and procedures before committing to the loan. Find out if there are consequences to paying the loan off early and definitely check to see if they add fees to the end, that have nothing to do with the loan being offered. Sometimes this is how the F & I person pads his pocket.

SUBMITTING THE APPLICATION

When you're ready to apply for financing for your swimming pool, following these steps will help streamline the process and increase your chances of approval. By taking the necessary steps and submitting the required documentation you should have gathered by now, you'll be well-prepared to secure the financing you need for your swimming pool project.

Complete the Application:

Start by obtaining the loan application form from the chosen lender. You can usually find these forms on the lender's website or by contacting their loan department directly. Most times the application is online now but you'll need a way to scan your documents or be savvy in submitting photos. Fill out the application form accurately, providing all the requested information. Double-check your entries for accuracy and completeness before submitting your application.

Include a Cover Letter or Personal Statement:

Consider including a cover letter or personal statement with your loan application. This letter can briefly explain your reasons for wanting a swimming pool, your financial situation, and your commitment to repaying the loan. Highlight any relevant details that may strengthen your application, such as stable employment. A cover letter can also fill some holes in your application, that may come up as a red flag in your application, especially if there is no way in the application to explain an important detail.

Await Approval and Respond Promptly:

Once you've submitted your application, the lender will review it and assess your eligibility for the loan. This process may involve a credit check, verification of the provided information, and an evaluation of your financial capacity. Be patient during this stage and promptly respond to any requests for additional information or clarification.

THE FINAL STAGES

Review the Loan Offer

If your application is approved, the lender will provide you with a loan offer. Carefully review the terms and conditions of the loan, including the interest rate, loan amount, loan term, repayment schedule, and any associated fees. Pay close attention to the fine print, understanding all the obligations and responsibilities as the borrower.

Seek Clarification

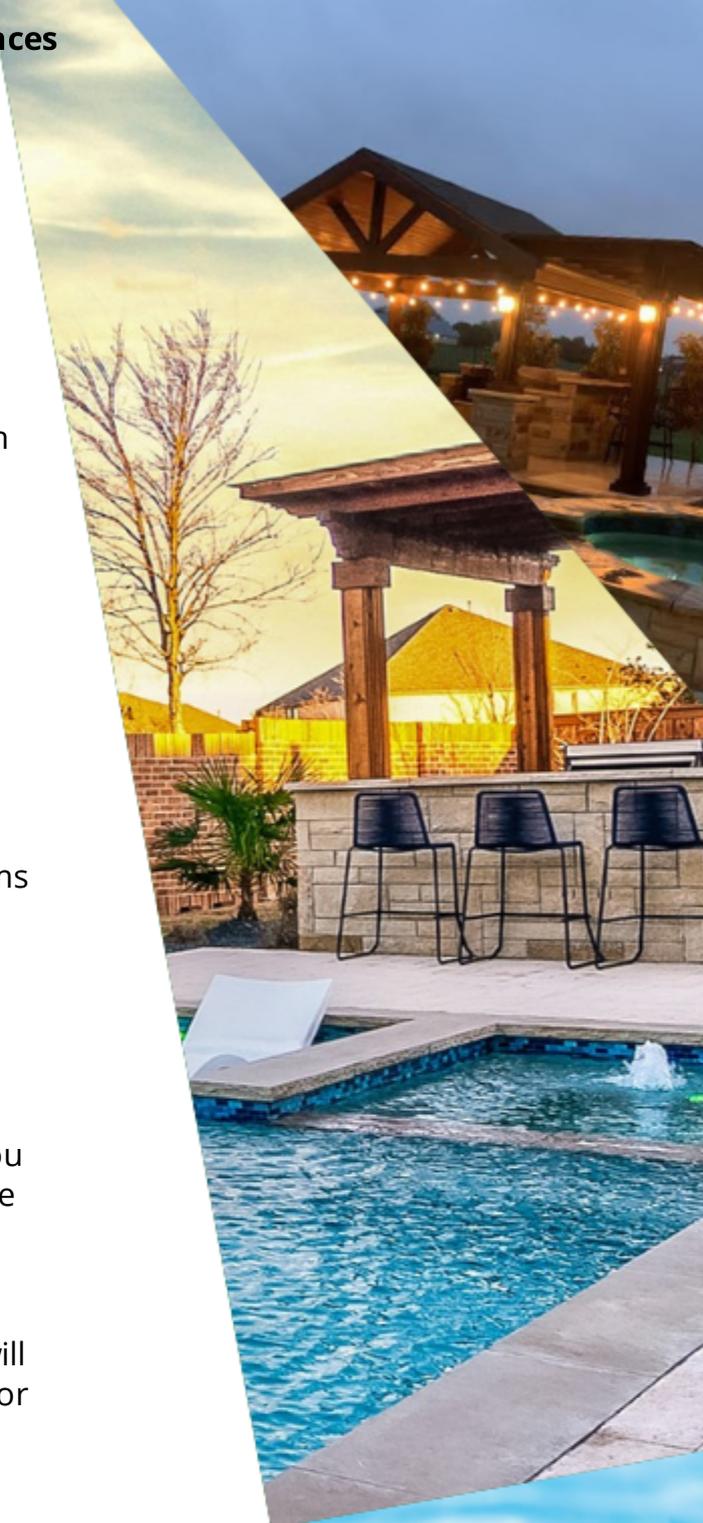
If you have any questions or concerns about the loan offer, don't hesitate to seek clarification from the lender. Contact their loan officer or customer service representative to address any doubts you may have. It's essential to have a clear understanding of the terms and conditions before accepting the loan offer.

Accept the Loan Offer

Once you are satisfied with the loan terms, formally accept the loan offer from the lender. This usually involves signing the loan agreement and any associated documents. By accepting the loan offer, you are committing to the terms and agreeing to repay the loan according to the agreed-upon schedule.

Utilize the Funds

Once the loan is approved and accepted, the lender will disburse the funds to you. Use the funds as planned for your swimming pool project, ensuring that the expenses align with the approved loan amount. Keep track of your spending and maintain open communication with the lender and custom swimming pool builder throughout the construction process. **It's important to make sure the Swimming Pool Builder is on board with how the loan is to be dispersed. Some lenders will only loan money in certain phases so make sure you understand this payout structure before any construction begins.**



COMPANIES THAT SPECIFICALLY OFFER SWIMMING POOL FINANCING



Remember: When contacting these financial companies, make sure you are inquiring specifically about their swimming pool financing options. It makes the difference in their interest rates, loan terms, and any specific requirements they may have. Simply provide the most accurate information about your swimming pool project and financial situation to receive the best relevant guidance and offers.

NOTE: Before contacting these swimming pool loan providers, ask your custom swimming pool contractor if they have a financial working relationship with any of the lenders or if they would be willing to sign up and become affiliated with the provider. Usually, it's just a vetting process for the swimming pool companies.

LightStream:

- Website: www.lightstream.com
- Phone: 1-800-240-8773

Wells Fargo:

- Website: www.wellsfargo.com
- Phone: 1-800-869-3557

GreenSky:

- Website: www.greensky.com
- Phone: 1-866-936-0602

HFS Financial:

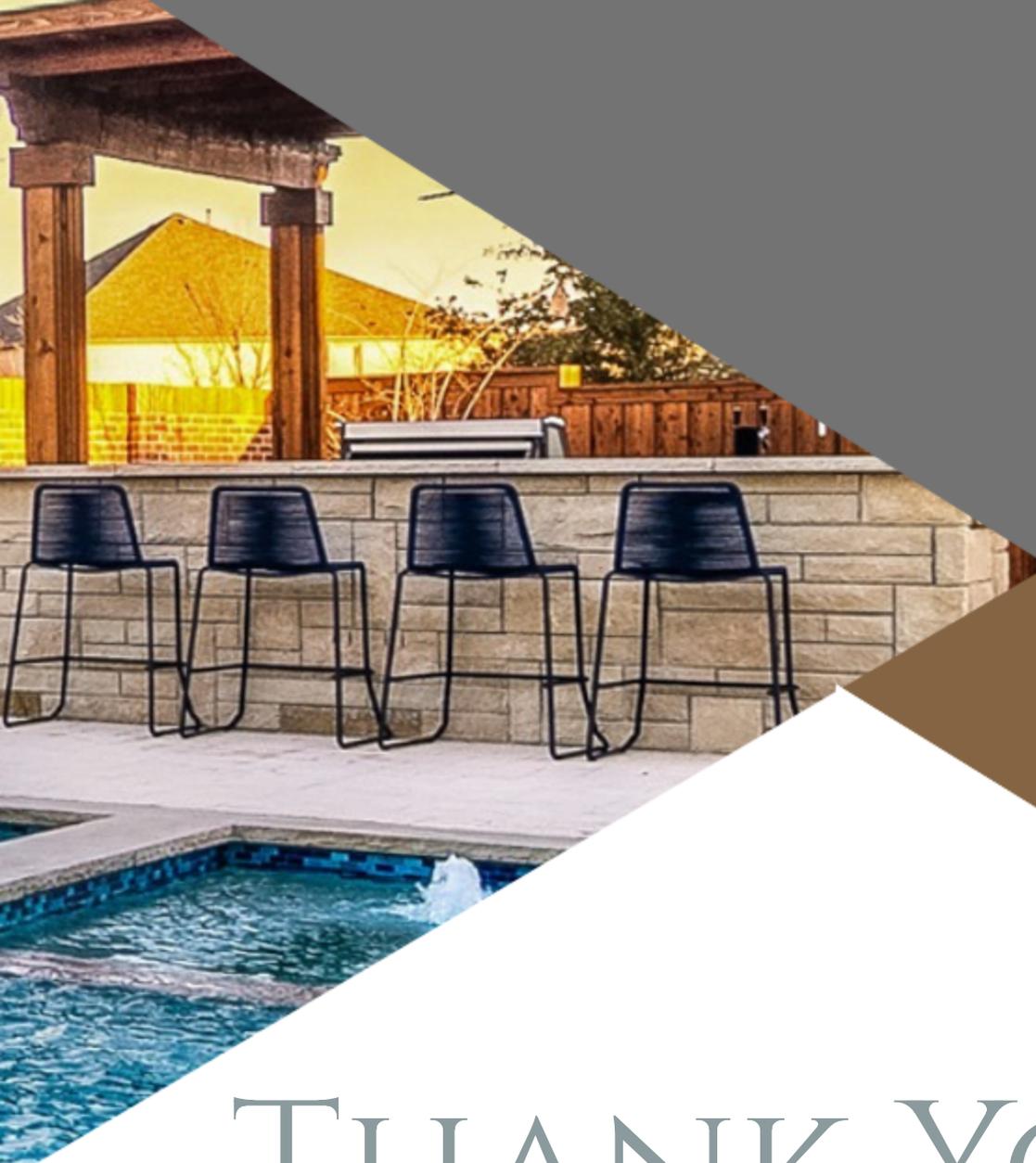
- Website: www.hfsfinancial.net
- Phone: 1-800-254-9560

Lyon Financial:

- Website: www.lyonfinancial.net
- Phone: 1-877-754-5966

Frost Bank

- <https://Frostbank.com>
- Phone: 1-800-513-7678



THANK YOU

WE WELCOME YOUR FEEDBACK

FEEL FREE TO GET IN TOUCH WITH US FOR ANY
FEEDBACK OR QUESTIONS



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