

An Interview With Utah Physician Home Loans

This is a loose transcript of an interview I did with Josh Mettle, Senior Loan Officer with Fairway Independent Mortgage who runs the website [Utah Physician Home Loans](#), on 2/9/2012.



Josh Mettle

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How did you get started doing this?

My first day of work as a loan officer was September 11, 2001. It wasn't a great day for business. In fact, as you'll

recall, no one was really sure whether they should do any business at all for about a week after that. I worked for a number of years primarily for Citywide Home Loans. After a while, I realized that more and more physicians were coming to me and we really hit it off. They were great clients to work for and we found if we really treated them well, they'd treat us well by referring their friends and colleagues to us. So I did a lot of research into all the various loan programs out there specifically for doctors and started Utah Physician Home Loans on the side and began marketing specifically to doctors.

So, are you a broker or a lender?

We are actually a [correspondent mortgage lender](#). We end up funding about 90% of the loans we do and basically serve as a broker on the other 10%.

Why just Utah?

Actually, we also offer doctor's loans in Arizona, California, and Colorado. Most of the options I can offer are available in all those states, but all of them are available in Utah. Plus I live in Utah so it is easier to focus there. *[Update: UPHL now offers loans in [Nevada](#) too and more options in [Arizona](#) and [California](#).]*

Do you do conventional loans too? Or just "doctor's loans?"

More than anything, we're a problem solver. We just have more tools in our belt than most. The doctors who tend to find us through our online marketing generally do so because they've run into road blocks elsewhere. No one will lend to them because they have a lot of student loans. Or they don't have a down payment. Maybe they want a loan that is above the conforming loan limit (\$417,000 in many counties.) Or they haven't actually started work yet. Sometimes they have no equity because they're just coming out of residency, or they took a bath on their last home and are relocating.

I basically look at their situation and then recommend an appropriate loan product for them. Sometimes that product is a 20% down conventional mortgage and not a doctor's loan at all. I do a lot of those, especially for doctors referred to me by other doctors. They don't have any specific problems that require a special loan to overcome, they just want to be treated right. Occasionally, I don't have a loan that overcomes that particular doctor's issue, such as a doctor who wants a 0% down loan. In those cases I refer her out to some other lenders for their specialized products. But most of the time, I've got something that overcomes their issue. For example, I have one loan that I can close on a month before they start their job and they won't owe a payment until they've been on the job for two months. That's a great option for a relocating doc.

So how much more does it cost to get a doctor's loan? How much higher are the rate and fees?

Usually it ends up being 0.5%-0.75% higher for a doctor's loan compared to a conforming 20% down mortgage. The fees are higher as well, perhaps 1/4%. The cheapest money out there is from Fannie Mae or Freddie Mac (i.e. a conventional loan), but you have to fit into their little box to get money at that price. Many doctors, especially relocating doctors, just don't fit into that box, but they still want to buy a home. I can help them do that.

Do you use doctor's loans for refinances?

Usually not. It just ends up being so much cheaper to get a conforming loan. Usually by the time a doc is ready to refinance, he's paid down the loan enough to get a regular mortgage.

What about second homes?

There isn't much product out there for that. It's mostly all conforming (20% down) loans.

Investment properties?

Same issue. You pretty much need 20-25% down so not much point in using a doctor's loan.

I see you offer a relocation service. Is that a separate business in addition to the physician home loan business?

No. This is basically a perk of using us for your loan. There's no cost to the doctor. We do it in conjunction with [Utah Cribs](#), a realtor. Once we do the pre-approval for your loan, you fly out here and we pick you up at the airport in our 2010 Cadillac Escalade. We take you around and show you the nice neighborhoods and any homes you want to see, then drop you off at a nice downtown hotel and leave you the car for three days. We pay for the hotel, the car, and tickets (if available) to local sporting events or ski resorts. There's no obligation to use us for your loan or Utah Cribs as your realtor, but obviously we're hoping you do. It's money well spent in my opinion since we plan to be here a long time and building these relationships pays off over time in additional business.

Thank you Josh Mettle for your time and your support of this site. Learn more about [physician mortgages here](#).