

Frequently Asked Questions

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Q. What are discount points?

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Discount points are the cost to buy down a given interest rate below the current market rate (example: if market rate is 5.75% then 5.50% may cost 1 discount point) discount points are expressed as a percent of the loan amount.

Q. How long will it take to close my loan?

(top)

Since each borrower will have different information to verify, each loan varies in length of time to close, however most loans close within 30 days of application. The amount of time it takes to close depends primarily on the Loan Officer and borrower gathering all the necessary information at the initial loan application as well as providing information promptly to any underwriter or processor request during the processing of the loan.

Q. How much are closing cost?

(top)

Closing cost varies by loan type and not all real estate contracts are the same. You may ask your Loan Officer for a good faith estimate which will give you a reasonable estimate of closing cost. Closing cost can be financed in the loan either by increasing the interest rate and letting the lender pay the closing cost or increasing the sales price and letting the seller pay the closing cost. Both options have advantages and disadvantages so discuss with your Loan Officer the best method for you.

Q. How much down payment do I have to make?

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You may put down as little or as much as you wish, however your down payment requirement could be affected by your credit. Also keep in mind that \$0 down payment programs have slightly higher interest rates than traditional down payment programs. As always you can drop mortgage insurance if you put down 20% on the loan.

Q. How do I lock my interest rate?

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Interest rates change daily and sometimes several times per day. You may lock your rate once you have made loan application by contacting your Loan Officer by phone. Your Loan Officer will then fax a lock confirmation form that will need to be signed and faxed back.

Q. How long can I lock my interest rate?

(top)

Most loans are locked between 15 and 60 days from estimated closing, however extended locks beyond this are available. Keep in mind the longer the lock, the higher the rate. The lowest rates are on a 15 day lock. You must close and fund your loan within the lock period to prevent losing your rate lock.

Q. What documentation will I need at loan application?

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Documentation can vary by loan type but the following documents are usually required. 60 days worth of your most recent bank statement and retirement statements (all pages) , 30 days worth of your most recent pay stubs, last 2 years w-2's. In addition, if you are self employed, 2 years

of
sheet.

business and personal tax returns as well as a year to date

profit and loss and balance