

## FREQUENTLY ASKED QUESTIONS

### ***How much will it initially cost to apply?***

Credit Report Fee\*.....Individual-\$10, Joint-\$20

\*Collected at the time of application. Fee is not refundable once the report is provided.

Appraisal Fee\*\*.....Single Family-\$325, Multi Family-\$500

\*\*Collected upon return of the signed Early Disclosures. Fee is not refundable once the report is provided.

Application Fee\*\*\*.....\$375

\*\*\*Collected at the time your loan closes. Additional costs are also collected at closing.

Refer to your Good Faith Estimate of Closing Costs for all other fees required.

Additional fees will be required to update reports after 90 to 180 days.

***What are the closing costs?*** Closing costs vary; some are standard fees and others depend on the loan amount. Typical costs include fees for the application, appraisal, credit report, abstract or title search, title insurance for the Bank, recording, mortgage tax, flood determination and Bank's attorney. In addition to closing costs, you may be required to reimburse a seller for real estate taxes paid, escrow taxes and insurance with the Bank, and prepay interest at the time of closing. Your mortgage loan officer will review these costs at the time you apply and the bank must provide a **Good Faith Estimate** of costs.

***What is an APR?*** This is the **Annual Percentage Rate**. The Federal Truth-In-Lending Act requires a standard by which the Bank must express the interest rate as it relates to specified credit costs (i.e. application fee, prepaid interest). Its purpose is to facilitate an easy comparison of costs between lenders for borrowers to use. It is **not** the rate which is used to calculate your payment.

***What is a point?*** Points are fees which are stated in terms of a percentage of the loan amount and are considered to be a prepaid cost of the loan. **Discount** points are optional and may be purchased to reduce your interest rate. **Origination** points may be required by the Bank for certain loan programs. Points may be deductible; you should consult your tax preparer.

***What is Private Mortgage Insurance?*** Private Mortgage Insurance (**PMI**) is required when the loan amount exceeds 80% of the lower of either (a) the purchase price or (b) the appraised value. This insurance benefits the Bank if borrowers default on their mortgage payment. PMI enables borrowers with limited downpayment or equity to obtain a mortgage. The Bank must supply you with detailed information regarding PMI when you close.

***What does the application process entail?*** After you have applied for a loan, we will send you additional disclosures to sign and obtain a credit report and appraisal of the property to verify its market value. We will notify you if additional information is required from you. Once all the information is collected, the application package will be reviewed for a decision. It normally takes 2-4 weeks from application to commitment.

***Is there a prepayment penalty?*** Solvay Bank does **not** charge penalties for early payment of residential mortgages.

***Once I close, will the servicing of my loan be transferred to another lender?*** Solvay Bank always retains the servicing for all residential mortgages. If this practice were to change in the future, you will be notified.