

Questions for Your Lender

Fixed Rate Loans:

1. What are my financing options to purchase a home?
2. What are the interest rates on 30-year vs. 15-year mortgages?
3. How long can I "lock-in" the financing at the current interest rate?
4. Is a float down lock available in case rates drop after I have locked in?
5. What are the other fees in conjunction with my loan?
6. Are funds for a second mortgage available?
7. Is there a pre-payment penalty clause?
8. What is the "grace" period? How late can a monthly payment be made before a late charge is assessed?
9. If you sell your house, will the new Buyer (if he/she qualifies) be able to assume your mortgage?
10. Will the Lender require mortgage insurance?
11. Is the loan serviced locally or is the servicing sold?
12. Ask for a written "good faith estimate".

Adjustable Loans:

1. How often will the interest rate be adjusted?
2. Is there a maximum limit on each rate change?
3. How often will the monthly payment be adjusted?
4. Is there a ceiling on payment adjustments?
5. Can the term of the loan be extended?
6. What is the maximum rate that can be charged over the life of the loan?
7. Is there any potential for negative amortization?