

Take Control of Your Financial Future
Questions for your mortgage planner

After you have chosen the mortgage planner that you want to work with, what comes next? Here is a list of questions to ask when your mortgage planner presents you with a plan. You can do this over the phone or in person.

The answers to these questions will help you Take Control of your financial future by understanding the type of mortgage you are about obtain.

1. What will my monthly payment be, excluding escrows? \$_____.
2. Please confirm the type of mortgage this is. (circle one)
Fixed rate Program: 30-Year 20-Year 15-Year 10-Year
ARM Program: 3/1 5/1 7/1 10/1 I/O _____ Amortized _____
3. Is it an interest only mortgage, yes no; if yes, for how long? _____ years?
4. Are there any points associated with this mortgage? Yes No If yes, _____
5. If it is an adjustable rate mortgage (ARM), please explain what the CAPs and Margin are as well as the Index to which it is tied. *(This will be detailed in the ARM disclosure that they are required to give you by law and that you will sign).*

First Cap ____ / Second Cap ____ / Third Cap ____ Index _____ Margin _____
6. If you think you are being quoted a 30-year fixed rate mortgage in which your payments will **never** change, have him show you where it says this and ask him to put it in writing. *(You can also determine this by reviewing your Truth In Lending disclosure that the planner is required to give you by law and that you will sign. Simply look at the itemization of payments; if they change, then you are in an ARM).*
7. If you are in a low teaser rate mortgage or an Option ARM, have your planner indicate when the first change date will occur and ask her to indicate what rate the adjustment might go to. *(Review your ARM and your Truth-In-Lending disclosures. These will detail worst the case scenario).*
8. Is there a pre-payment penalty? Yes No
If yes, how does it work? *(If there is a pre-payment penalty, laws require that this be disclosed on a separate form that you will sign).*

Penalty period: 1yr 2yr 3yr and how much is It _____?
9. If the rate sounds too good to be true, have your mortgage planner provide you with your "rate lock confirmation" that will explain the terms of your mortgage and when the rate expires.

Although the process may seem confusing and there is a lot of paperwork, **if** you just **Slow down and actually read all of the disclosures provided** when you apply and again at the closing table there should not be any surprises and you will know exactly what you are getting into with your mortgage.