



Frequently Asked Questions

How long does it take to process and close a mortgage loan?

It typically takes three to four weeks from the time your application is submitted to close on your mortgage. Make sure you discuss your projected closing date with your loan officer during your initial consultation.

What can I do to ensure a smooth mortgage transaction and expedite the process?

Once requested, provide all the required documentation, such as pay stubs and bank statements, as soon as possible. If any of your qualification information changes, please notify your loan officer immediately.

What determines the interest rate on my mortgage?

There are several factors, such as your credit score, down payment, points purchased and your loan type, that can influence your mortgage interest rate. Generally, the higher the credit score and the larger the down payment, the better the mortgage interest rate.

How often do rates change?

Mortgage rates can change daily – sometimes more than once a day. Consult with your loan officer to determine the best time to lock in your loan rate.

What is the difference between the Interest Rate and Annual Percentage Rate (APR)?

The interest rate is the cost a lender charges you to borrow money. The APR is the cost to finance your loan on an annual basis. The APR is expressed as a percentage and reflects interest charges, points and other fees. The APR will typically be higher than your interest rate.

What are discount points?

Discount points are the costs associated with “buying down” your interest rate. One point costs 1% of the total loan amount and reduces your interest rate an average of .25%. Discount points are paid at closing.

What is a credit score and how is it determined?

A credit score is a statistical method of determining your creditworthiness. Credit scores are based on several factors, including your credit history, the amount of outstanding debt and the type of credit you use. Negative information, such as bankruptcies, late payments and collection accounts, is also used to calculate your credit score.

How much will I pay in closing costs?

Closing costs are approximately 2-3% of the loan amount. Typical costs include but are not limited to attorney’s fees, title fees, recording fees, appraisal fee, credit report fee, origination and underwriting fees.



What are Prepaid Expenses?

Costs associated with the mortgage closing that are collected in advance, such as tax, insurance and assessments. Prepaid expenses vary greatly depending on the value of the property.

What is an escrow account?

An escrow account is an account established by the lender at closing to disburse taxes and insurance on your behalf. Once this account is established at closing, the lender makes these payments for you when due.

What type of funds do I bring to closing?

You will need to bring a cashier's check to cover the total costs due at closing. Your loan officer will provide you with the exact amount of funds needed to close.

What should I do after the closing?

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