

Mortgage Basics

When it comes to mortgages, we'll do everything we can to make the process easy and understandable. If you've got questions, we're here to answer them.

What types of mortgages do you offer?

We offer 4 mortgage products, all of them Adjustable Rate Mortgages (ARMs): 1/1, 3/1, 5/1, and 7/1. The interest rates are fixed for the first year, the first 3 years, the first 5 years, or the first 7 years, respectively. After the fixed term, the interest rate is adjusted annually.

What are the advantages of an Adjustable Rate Mortgage?

There are several, including:

- The lower starter rate makes it easier to start paying down the mortgage
- If you reduce your principal by making additional payments, your future payments may be reduced and the amount of interest paid over time will be reduced
- Your rate is adjusted not only up but also down. A fixed-rate mortgage, on the other hand, though it does afford you the benefit of always knowing your monthly payment, locks you into a high rate even if the average rates on mortgages drop. Then there's the time-consuming and costly process of refinancing to get it down, assuming both owner and property are eligible for refinancing.

How is my rate adjusted after the fixed term?

By either adding our margin of 2.5% to the 1-year Constant Maturity Index (CMI) or by adding our annual cap of 2%, whichever is the lower of the two.

What types of properties will you finance?

Co-ops, condos, and one- to four-family homes.

What percentage of the financing can I obtain through ActorsFCU?

80% financing if you qualify.

When do I lock in my rate?

When you notify us that you would like it locked.

Is there an application fee that I pay upfront?

Yes, which covers the application fee and the appraisal fee. If the appraisal fee comes in higher than the fee charged, the difference will be added to your closing costs; if the fee comes in lower, you will be refunded after closing.

What sort of closing costs should I expect?

Costs vary based on size of loan and type of property.*

Fees	CO-OP	Condo or House
Application Fee	\$550.00	\$550.00
Appraisal Fee	Starting at \$350	Starting at \$350
Origination Fee	From 0.75 – 2.25% of mortgage, based on size of mortgage.	From 1.00 – 2.50% of mortgage, based on size of mortgage.
Short-Term Interest	Based on number of days between funding and first of next month	Based on number of days between funding and first of next month
Flood Search	\$16.02	\$16.02
Lien Search	\$320 (purchase), \$245	N/A
Lien Filing	\$75	N/A
Title Insurance	N/A	Based on mortgage size and location of property
Mortgage Tax	N/A	Percentage of mortgage based on mortgage size and location of property
Attorney Fee	\$875	\$875
Escrow for Property Taxes	N/A	Two Months
Escrow Service Fee	N/A	\$73

*Rates and fees are subject to change. Please verify current fees and rates.

Are there any penalties if I pay if off early?

No, none.

Can I prepay my interest?

No, your interest accrues on a daily basis and is calculated based on the number of days between payments and the outstanding principal balance.

Can I prepay on my principal balance?

Yes, as much as you want at any time.

When are my payments due?

The first of every month.

Is there a grace period if I'm late?

Yes. You have 15 days to make payment without getting a late fee.

What will my late fee be?

2% of your monthly payment.

Should I be pre-qualified?

Yes. The majority of real estate brokers will not show you a property unless you are pre-qualified. Getting pre-qualified will help determine the size of mortgage you can be approved for and the price range of the properties you should be looking at.

How much time does the mortgage application process take?

Although it varies with each individual borrower, it usually takes less than 6 weeks for the application process to be completed. Once approved, a commitment letter will be issued to the applicant. The applicant then has up to 60 days to close on the mortgage. Please note that our attorney requires 2 weeks' advance notice of a closing date; your attorney may have similar requirements.

HELOC FAQs

What is the difference between a Home Equity Line of Credit and a Home Equity Loan?

Think of a Home Equity Line of Credit as you would a credit card. As you make payments during the draw period, that amount then becomes available for you to use. Interest and monthly payment are calculated only on the amount that you have used. For example, if you are approved for a credit line of \$100,000 but use only \$50,000, your interest and payments will be calculated based on the \$50,000.

With a Home Equity Loan, you get the full amount approved at funding, and interest and payments are based on that total loan amount.

Are there any closing costs or fees?

No closing costs, no points, no annual fee, excluding mortgage tax, recording fees, and any fee in conjunction with a previous loan, as long as you draw at least \$25,000 at the funding of the loan and as long as you do not pay off, close the loan, or reduce the principal to \$10,000 or less within the first 6 months. Members are responsible for the cost of appraisal. You pay an application deposit of \$500 after you've received all early disclosures. This will be reimbursed if the Home Equity Line closes and funds. The deposit is not refundable if any of the following apply: you withdraw the application, the appraised value of the property is too low to support the loan, or you do not draw at least \$25,000 at the initial funding of the Line of Credit. There will be a recapture fee of \$1,000 if you pay off the loan within the first 6 months. Rates and fees are subject to change. Please verify current fees and rates.

How does the program work?

Our Home Equity Line of Credit Program is processed through a credit card program. Once the loan is closed, you will receive a credit card within 7 to 10 business days in the mail. You will be billed and receive statements monthly as you would with a regular credit card.

How do I access my funds?

Once you've activated your card, you may use the card or your Statement Checks, included in each monthly statement. Or you may send a written request (fax is acceptable) to Lending Services to cut a check for you or to deposit the funds into your savings or checking account.

Can I get a Home Equity Line at any time?

Home Equity Lines are not available for properties on the market or as a bridge loan.

Do I need title insurance?

Home Equity Lines of Credit of \$99,999 or less may require title insurance. All Home Equity Lines of Credit that are granted for \$100,000 or more will require title insurance. The member is required to pay for this insurance.

Home Equity Line of Credit Terms

- Minimum credit line: \$25,000
- Maximum credit line: \$250,000
- 20-year term with 5-year draw and 15-year payback
- Adjustable based on prime
- 75% LTV on houses, condos, and co-ops
- Lifetime rate cap of 18%
- ActorsFCU Savings Account is required
- Rates subject to change without notice

For Home Equity Line of Credit Terms & Applications, contact Lending Services at 212.869.8926 (option 4).