



Mortgage FAQ

What Is Escrow?

An escrow is a type of account that budgets your taxes and homeowners' insurance costs into monthly averages which is tied directly to your mortgage. When the bills come due, your escrow automatically disburses the funds to the payees. This makes escrow very convenient. Most mortgages require an escrow if your loan to value is 80% or higher.

What Is Loan to Value (LTV)?

Your loan-to-value (LTV) measures your equity – how much your home is worth versus how much you owe on it. Put simply: if you have an \$80,000 mortgage on a home worth \$100,000, then you have an LTV of 80%. Your LTV can impact what mortgage program you qualify for, whether you need PMI and an escrow, and more.

What Is (PMI) Private Mortgage Insurance?

Private mortgage insurance is required by all lenders when you have less than a 20% down payment for the property you're purchasing. Mortgage insurance will likely be part of your loan estimate as a first-time homebuyer depending on your down payment.

Mortgage insurance isn't a bad thing. It protects your lender in case you default on the loan, it's tax deductible for most people, and it allows you to become a homeowner with less cash up front. Even if you can afford 20% down, you may want to re-think where you want your money to go. Could it be better used for home remodeling projects? Our mortgage originators can help you crunch the numbers and decide where your money will work the hardest for you.

What Are Closing Costs?

Closing costs include several items including origination fees charged by the lender, title and settlement fees, taxes and prepaid items like homeowners' insurance or homeowners' association fees, and even attorney costs.

What Type of Mortgage Is Best for Me?

Talk to your lender about the different types of mortgage options and which would work best for you.

[Mortgage Products](#)

- Conventional Mortgage
- Adjustable-Rate Mortgages
- Fixed Rate Mortgages
- Homebuyer Dream Program
- SONYMA Mortgages
- FHA Financing
- PiggyBack Mortgage
- Manufactured Homes Loans
- (USDA) United States Department of Agriculture Loan
- (VA) Veterans Affairs Financing
- Vacation and Investment Properties