



Guide to the Mortgage Closing Process FAQs

What to expect and why: Answers to our members' most frequently asked questions.

Escrow

I have an escrow account with my current mortgage, will the current balance be applied to my new escrow account at closing?

No, not necessarily. Most financial institutions hold the balance of your escrow account until they receive and process your payoff. They refund the escrow balance within 30 days of receiving the payoff of the loan. This means that you may need to initially fund your new escrow account with CFCU at closing.

If, however, you're refinancing a CFCU mortgage and have an escrow account with us already the balance of your current CFCU escrow account will be applied as a credit to the principal balance of your existing mortgage. In other words, the escrow balance will be subtracted off of the amount needed to pay off your CFCU mortgage.

I waived escrow. Why is an amount being collected for my taxes at closing?

When closing, CFCU is required to collect and pay for any costs that could become a lien against your property. This includes tax bills, water bills, and homeowner's insurance or association dues. If any of these are due before your first mortgage payment date CFCU will collect and pay for them. If we are collecting for an upcoming tax bill, sometimes we don't have an exact amount. In this case, CFCU deposits the amount of last year's taxes into your CFCU account with a hold. Once we have an accurate bill we pull the held funds, advise you of any shortage, and with any additional funds from you, pay the tax bill on your behalf this one time only.

Am I required to escrow my homeowners insurance?

Even if you are required to have an escrow account for taxes, for certain loan programs you may request a waiver of the homeowner's insurance escrow requirement. CFCU does require that the policy be paid to date at closing. If you are purchasing, you are required to pay one year up front.

The Closing Process

When will I close?

Closings depend on many things. If all parties do their part, a closing is more likely to happen when you want it to. The average closing time is 30-60 days from the date of origination. You will need to make sure you have all requested documentation delivered to CFCU as quickly as you can. If this is a purchase, you will want to work closely with your attorney. Your attorney is responsible for providing all of the titles documentation to CFCU **no less than 15 business days prior to closing**. Once our legal team has the title work for your property, we can review and then schedule your closing.

***Some documents you receive from CFCU are time sensitive. The delivery and acceptance of some documents can be tracked through our internal system, others you may receive via email and need to print out and sign. If you don't utilize a computer, you will receive documents via regular mail which can impact the speed of your process. Please speak with your originator about the option of accessing documents at a convenient location to expedite delivery.**

How long does closing take?

CFCU schedules closings in one hour blocks. Refinances generally take less time.

Who schedules my closing?

For a purchase, CFCU contacts the Buyer's attorney to pick a date and time. The Buyer's attorney coordinates with the Seller's attorney. For a refinance, CFCU will contact the borrower directly to schedule.

Where does my closing take place?

CFCU has two closing locations: Our main office located at 1050 Craft Road in Ithaca and our branch at 182 Port Watson Street in Cortland.

(turn over for more FAQs)

The Closing Process (cont.)

I need to bring funds to the closing, how should I bring them?

If the required funds are in your CFCU account, we complete a check-free internal transfer at closing.

Without funds in a CFCU account, you need to bring a certified check made payable to CFCU. We only accept personal checks for amounts under \$1,000.

A No Closing Cost Loan means I won't need to bring any funds to closing, right?

Not necessarily. A No Closing Cost Loan covers closing costs anyone would incur. This may include mortgage recording fees and mortgage taxes. Costs that are unique to you and your property such as your escrow account or taxes coming due are closing costs that are not covered and may require that you bring funds to the closing.

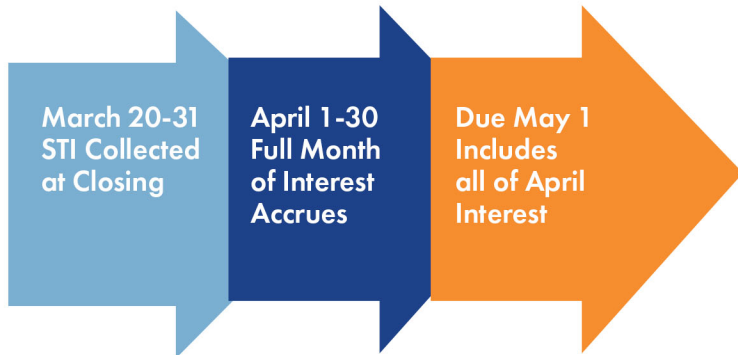
When is my first payment due?

When you pay your monthly mortgage payment, you are paying the interest for the prior month. This means, if you close any time mid-month you won't have a mortgage payment due until a full calendar month has passed. CFCU will collect short-term interest (STI) at closing. STI is interest that accrues from your date of disbursement through the end of the month of your closing. This is the only time you will pre-pay interest.

Example: If your loan disburses March 20th:

DUE AT CLOSING

FIRST PAYMENT DUE



Cash Back Refinance

I'm getting cash back from my refinance. When will my funds be available?

When refinancing your primary residence, the federal government requires that you have three business days (cooling off period) to consider cancelling the transaction. Your mortgage, therefore, cannot disburse until the fourth business day after closing. Saturday can count as a business day for purposes of the "cooling off period," but not for the fourth day, or day of disbursement.

EXAMPLE TIMELINE #1

STEP 1 - CLOSING	Monday
STEP 2 - COOLING OFF PERIOD	Tues-Thur
STEP 3 - LAST DAY TO CANCEL	Thursday
STEP 4 - LOAN DISBURSES	Friday

EXAMPLE TIMELINE #2

STEP 1 - CLOSING	Tuesday
STEP 2 - COOLING OFF PERIOD	Wed-Fri
STEP 3 - LAST DAY TO CANCEL	Friday
STEP 4 - LOAN DISBURSES	Monday

Flood Insurance

Do I have to have flood insurance?

You are only required to carry flood insurance if you are located in a flood zone. If you are required to carry flood insurance, it must be escrowed.

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