

Great Rates. Personal Service.

The Mortgage Solution Quarterly



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Chevron Federal Credit Union

What to Expect from Your Agent and CFCU Loan Team

During the home buying process, you can count on your real estate agent and your CFCU loan officer and loan processor to help you find the perfect home — and the perfect loan — for you.

Here is a breakdown of what you can expect from the people assisting you, as well as some tips for how you can help the process go smoothly.

Your Real Estate Agent's Responsibilities

1. Preview available homes to weed out those that are overpriced or undesirable.
2. Present the homes that suit your needs as you've defined them.
3. Help you determine the difference between a "good buy" and a property which, because of its nature (neighborhood, market appeal, etc.), might have to be discounted if you decide to sell in the future.
4. Negotiate the best deal for you. With a pre-qualification letter from CFCU in hand, your real estate agent will be able to prove that you are a qualified and capable borrower. This can make the difference between the seller accepting your offer over someone else's — even if your offer is lower!

Your CFCU Loan Officer's Responsibilities

1. Assist you in selecting the best type of loan to meet your personal situation and goals.
2. Help you get the best loan rates and fees available.

Your CFCU Loan Processor's Responsibilities

1. Keep you informed of your loan status throughout the entire process.
2. Keep your real estate agent informed of your loan progress. (Note: CFCU always keeps your personal information confidential; only deal points and loan progress is shared).

Your Responsibilities

1. Keep your real estate agent informed of any questions or concerns as they develop.
2. Provide documentation and decisions as soon as possible. By doing so, many of the details are taken care of early in the process so you can comfortably concentrate on last minute details or events.
3. Enjoy purchasing your home, but try to remain objective throughout the process so you can make good business decisions.
4. Make sure you are pre-approved as early as possible. This will put the power of financing behind you so you can concentrate on selecting your home.

Easy Ways to Lower Your Energy Bill

Small changes can help you save energy and money at home. Here are a few tips for lowering your utility bills.

- Use compact fluorescent light bulbs (CFLs) with the ENERGY STAR® label.
- Air dry dishes instead of using your dishwasher's drying cycle.
- Turn off your computer and monitor when not in use.
- Plug home electronics such as TVs and DVD players into power strips; turn the power strips off when the equipment is not in use. (TVs and DVD players in standby mode still use several watts of power.)



- Lower the thermostat on your hot water heater to 120°F.

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Save Money by Saving Energy!

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Common Mortgage Terms Defined

If you are thinking of purchasing a new home, or just refinancing your current mortgage, you'll probably be exposed to a lot of mortgage lingo. Here's a quick guide to some of the most common terms you may hear as you work with your CFCU representative to select your best mortgage option.

Amortization

The gradual repayment of a mortgage loan, both principal and interest, by installments.

Closing Costs

These are expenses over and above the price of the property incurred by buyers and sellers when transferring ownership of a property. Closing costs normally include an origination fee, property taxes, charges for title insurance and escrow costs, and appraisal fees. Closing costs will vary according to your area and the lenders used.

Escrow

An account used to collect and hold funds to pay your property taxes, homeowners insurance premiums, or other charges when they become due.

Points

Points are interest paid in advance to reduce the rate on a loan. One point is equal to 1% of the mortgage amount. For example, if you get a mortgage for \$165,000, one point means \$1,650 to the lender. Points usually are collected at closing and may be paid by the borrower or the home seller or split between them.

Private Mortgage Insurance (PMI)

Mortgage insurance provided by a private mortgage insurance company to protect lenders against loss if a borrower defaults. Most lenders generally require PMI if the borrower's down payment is less than 20% of the purchase price.

Qualifying Ratios

Calculations used to determine if a borrower can qualify for a mortgage. They consist of two separate calculations: a housing expense as a percent of income ratio and total debt obligations as a percent of income ratio.

Find more helpful real estate and mortgage definitions on our website at www.chevronfcu.org/pages/glossary.aspx.

If you would like more information on CFCU mortgage options, stop by your local CFCU branch or give us a call at **510-627-5000** or toll-free **800-232-8101**.

CFCU's On-Time Closing Guarantee

When you finance through CFCU, we guarantee that your real estate loan will close on time or we'll give you \$500 towards your closing costs!

If your pre-approved purchase is not closed by the close of escrow date or if your refinanced loan is not closed within 45 days of the credit approval date, CFCU will refund or credit \$500 in closing costs.

Purchases must have at least 35 days from the contract date to the close of escrow date to qualify for the guarantee.

For more information, please call us at **510-627-5120** or toll-free **888-334-5120**, or visit your local CFCU branch and speak to one of our friendly Real Estate Loan Officers.



Easy Ways to Lower Your Energy Bill

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- Take short showers instead of baths.
- Wash only full loads of dishes and clothes.
- Look for the ENERGY STAR label on home appliances and products. ENERGY STAR products meet strict efficiency guidelines set by the U.S. Department of Energy and the Environmental Protection Agency.

Source: www.energysavers.gov

Discounted Home Insurance Available to CFCU Members

CFCU members are eligible for discounted homeowners insurance through Liberty Mutual Insurance Group's Savings Plus Program.



Premiums are quoted on an annual basis and are not subject to increases every three to six years like most insurers.

You even have the option of paying your premium automatically with a monthly deduction from your CFCU account.

Access Liberty Mutual's website by clicking on the Insurance and Investments tab at www.chevronfcu.org. For a free quote, call **800-225-8281**.

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