

MORTGAGE SAFETY TIPS

Stability is important in your home life—
it's essential in your home mortgage.





MAKING AN INFORMED CHOICE ABOUT YOUR MORTGAGE IS THE SMART ANSWER.

Borrowing money to buy a home is one of the biggest financial obligations that most people ever take on.

So it's essential to be confident that you're choosing the right mortgage—a mortgage you can live with and feel good about.

At Harris, we think that the better you understand your loan, the more comfortable you'll be with the decisions you make.

Whether you're a new home buyer looking to secure financing or an existing homeowner looking to refinance, your mortgage is as critical to your home as the very foundation upon which it is built.

WHAT'S THE DIFFERENCE BETWEEN A MORTGAGE BROKER AND A MORTGAGE BANK?

A broker does not lend money, but merely originates a loan application and seeks out funding for the mortgage. Brokers do not control the underwriting, approval or funding of a loan. A bank like Harris, however, maintains complete control of the loan from application to closing. Which means you'll know who your loan is with at all times.

HOW IMPORTANT IS THE INTEREST RATE?

Clearly, it's very important. But the interest rate is only one component of a mortgage. Closing costs, points, prepayment penalties, loan terms, margins and frequency of adjustments all need to be considered as well. For example, while shopping multiple lenders may give a broker more interest rate flexibility, brokers usually have much higher closing costs. A borrower can generally expect lower closing costs and more flexibility with a bank.

FIXED RATE OR ADJUSTABLE RATE?

Borrowers may be attracted to an Adjustable Rate Mortgage (ARM) due to the lower initial interest rate when compared to a Fixed Rate Mortgage (FRM). Unfortunately for some, when the ARM interest rate adjusts upward, they are not prepared to make the additional payment. While an ARM is still an option for some customers, families planning to live in their homes for an extended period of time may elect to refinance into a fixed-rate mortgage. In addition to a fixed rate, you'll have the same principal and interest payment every month.

WHAT'S ALL THIS TALK ABOUT ADJUSTABLE RATE MORTGAGES (ARMS) READJUSTING?

It's more than talk. It's serious business that has hit homeowners across the country. Too often, homeowners with an ARM don't think about their rate adjustment or realize a rate adjustment is coming until they receive notification in the mail. If the interest rate increases, your monthly payment will increase. Many may not be in a position to pay for the additional amount.

WHAT IF I FIND MYSELF UNABLE TO PAY A RATE ADJUSTMENT?

First of all, **you need to know that making late payments or—worse—skipping them altogether, can seriously affect your credit score.** Talk to your lender.



**TIP: DO NOT UNDERESTIMATE
THE IMPORTANCE OF PRESERVING
YOUR GOOD CREDIT.**

Be honest about your situation. If you are unable to make the payment on a rate adjustment or run into difficult times due to a job layoff or major medical operation pending, you may qualify for a loan workout plan or other options that are much less damaging than a foreclosure. Keeping the lines of communication open with your lender may be the most important thing you can do. Lenders and loan servicers are more willing to work with customers who are up-front and act in good faith.

WHAT CAN HAPPEN IF I DON'T PAY MY MORTGAGE BILL?

Foreclosure. It adversely affects your credit score and jeopardizes future borrowing opportunities. Depending on the mortgage terms and state law, when payments become three to four months late, you can lose your home. A foreclosure will stay on your credit report for 7–10 years. However, serious consequences can begin when a payment is just 15 days late. If you are in this situation, talk to your lender. Take action immediately. The longer you wait, the fewer your options become.

WHAT IF I WANT TO MAKE A CHANGE AND NEED TO LOCATE MY LENDER?

Mortgages often get sold to a company other than the one with which you started. Check the following sources to determine how to contact your mortgage lender:

- Your monthly mortgage billing statement
- Your payment coupon book
- Your lender's Web site



WHAT IF I SEE A SOLUTION THAT SOUNDS TOO GOOD TO BE TRUE?

Beware of scams. Homeowners facing financial troubles are especially vulnerable because they are desperate to find a solution to their problems.

Beware of predatory lenders who may observe unfair financial practices, offers that are too good to be true and phony counseling agencies. Legitimate counseling agencies will offer their programs for free or for a small administrative charge.



TIP: DO NOT SIGN ANYTHING YOU DO NOT UNDERSTAND.

CAN HARRIS HELP?

At Harris, our Residential Mortgage Professional will take the time to understand your specific needs and goals so we can identify the mortgage option that is best for you.

We will explain the entire loan process to you in simple, easy-to-understand language. We'll tell you what all of your costs will be, up front; and we'll give you a competitive interest rate quote in writing.

PRE-APPROVAL

At Harris, a pre-approval offers a firm loan commitment from us before you buy, so you'll know how much house you can afford while you are shopping.

WHERE CAN I FIND ADDITIONAL INFORMATION?

Simply go to harrisbank.com. You will find a wide variety of tools to help you get familiar with the mortgage process such as:

- **Calculators:** To help estimate your monthly payment
- **Mortgage Glossary:** To help you familiarize yourself with some common mortgage terms.
- **Videos:** To familiarize yourself with the home-buying process.

AND IF I HAVE ANY OTHER QUESTIONS ALONG THE WAY?

Just ask us.

ANY LAST WORDS OF WISDOM?

Welcome home to a house you can afford, with a mortgage you feel right at home with. At Harris, we fund our own mortgages, so you know your loans are safe and secure. We service all of our loans and offer a broad range of products to meet your needs. Harris has low closing costs and no hidden fees. Everything is simple and in easy-to-understand language.

To learn more or schedule an appointment stop by a local Harris branch or give us a call at 1-888-HUBERT-1 (1-888-482-3781)

HARRIS HOME MORTGAGE LENDING:
THE **FOUNDATION**
UPON WHICH DREAMS AND
DREAM HOMES ARE BUILT.