

GOOD TO KNOW



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How do I apply for a home loan?

- There are four ways to apply:
 1. Apply at rcu.org/home-loans.
 2. Call your Mortgage Loan Officer and apply over the phone.
 3. Set up an appointment to meet your Mortgage Loan Officer face-to-face.
 4. Pick up an application, complete, and drop off at or mail to any Royal Credit Union office.

Do I need a application deposit?

- When you apply for a home loan, an application deposit is required. This deposit may be paid through your online application, a withdrawal request from your Royal Credit Union account, or by check.
- The application deposit is credited back to you at closing.
- The application deposit must be paid prior to ordering the appraisal or locking in your interest rate.

I submitted my loan application. What happens next?

- Your Mortgage Loan Officer will contact you within 48 hours to review your loan application and discuss any additional information that we may need from you.
- Any disclosures that you did not receive online will be prepared for you along with other documents requiring your signature. These documents will be provided to you either in person or via mail for you to sign and return.
- Please return all requested documents and loan disclosures to your Mortgage Loan Officer as soon as possible to avoid delays in processing your loan.

I have returned all of the requested documents. Now what happens?

- All documentation, including income and assets, will be reviewed by your Mortgage Loan Officer.
- If further documentation is needed, we will contact you.
- Your loan file is submitted to the processing center.
- The appraisal is ordered. Royal Credit Union will provide you with a copy of the appraisal when received.
- The title search is ordered.
- Any verification of employment and/or deposit accounts is ordered.

When can I expect to close my loan?

- Our goal is to close your loan within 30 days.
- Once the appraisal and the title search have been completed, your loan is submitted to the underwriting department. An Underwriter will review your loan and may request additional documentation.
- Once all guidelines are met, you will be contacted to schedule your closing.

What happens if I take out any other financing before my loan closes?

- Once you submit your application for a home loan, it is best to not add any additional loans or credit card expenses. Additional debt will increase your debt-to-income obligation and may impact the approval of your home loan.

What is Title Insurance?

- Title insurance protects against financial loss from potential defects in title to your property. Title insurance is a requirement of your loan. This insurance is ordered through a title company. Prior to closing, the title company will perform a search of public records and provide Royal Credit Union with a title commitment summarizing the status of title and any items such as unsatisfied liens, judgments or assessments that must be cleared up before closing.

Do I need Homeowner's Insurance?

- It is a requirement of your loan that your home is covered by homeowner's insurance (also referred to as hazard insurance). This insurance may be obtained through an agent of your choice. You will need to provide proof of this insurance before your loan can close.



What is Mortgage Insurance?

- If the Loan-to-Value (LTV) ratio is greater than 80%, your loan will require mortgage insurance. If mortgage insurance is required, Royal Credit Union will order it for you. This insurance is typically collected as a monthly premium and deposited to an escrow account.

What if my property is in a flood plain?

- Royal Credit Union will order a flood determination. If it is determined that your property is in a flood plain, you will be notified and flood insurance will be required.

Will I be required to set up an escrow account?

- Establishing an escrow account is a great way to manage your monthly budget, and Royal Credit Union will make the payments for you when the bills are due.
- When the Loan-to-Value ratio is greater than 80%, you will be required to establish an escrow account for real estate taxes, homeowner's insurance and mortgage insurance. If your property is in a flood plain, you will also be required to escrow for flood insurance.
- When the Loan-to-Value ratio is less than 80%, you have the option of establishing an escrow account. The escrow account may include real estate taxes, homeowner's insurance and flood insurance, if applicable.

I am refinancing my loan. Should I keep making payments on my current loan?

- It is important that you continue to make payments on your existing loans. Failing to make your monthly payments may have an impact on your credit report and the approval of your new loan.

Where will my closing take place?

- Your closing will be performed by the title company at a Royal Credit Union office or the title company's office. You can choose which is most convenient for you.

When will I know how much money to bring to closing?

- You will be notified by your Mortgage Loan Officer or Processor who will review this information with you prior to your closing. If any funds are required from you, you will need to provide a cashier's check in the exact amount at closing. If the funds are coming from a Royal Credit Union account and your closing is taking place at a Royal Credit Union office, a Royal Credit Union team member can withdraw the funds from your account when you arrive for your closing.

Where do I call with questions once my loan is closed?

- Local servicing is part of our commitment to our Members. Designing and closing your home loan is important to us, but we don't want our relationship to end there. Royal Credit Union retains the servicing of your home loan which means that you can always call us with any questions or concerns. Your loan payments are made to Royal Credit Union – whether you choose to visit one of our offices, send it through the mail or use the Automatic Payment option.

My taxes are paid from escrow. Will I receive a receipt from the county?

- In most cases, the county will send a receipt back to Royal. You can request a receipt by calling your county treasurer, otherwise, if you would just like to know if your taxes have been paid, you can call the Home Loan Servicing Department at 715-834-6985

How/When can I drop PMI?

- We have guidelines set forth by investors (such as Freddie Mac, Fannie Mae, etc.) when private mortgage insurance can be removed from an existing loan. There are multiple factors and loan statistics that are taken into account. Please contact Home Loan Servicing at 715-834-6985 for details and options if you have questions about canceling early.

How do you calculate your loan-to-value (LTV)?

- Loan-to-value is a ratio percentage of your loan balance over your purchase price or appraised value (whichever is less).

I have an insurance check made out me and Royal Credit Union. What do I do with it?

- Please take it to the nearest Royal Credit Union office. If you have your insurance adjuster's report and contractor's bid, please bring those too. That will speed the process up. Our office will give you a letter explaining the process with insurance claims.



Can I make bi-weekly payments?

- Our system does not allow for partial payments. If you can make 13 payments in one calendar year you can achieve a similar outcome. The easiest way to achieve this is to divide your payment and interest by 12 and add that on to each monthly payment.



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I would like to set my loan up for autopay. What do I need to do?

- Call or email the Home Loan Servicing Department at 715-834-6985 or homeloanservicing@rcu.org. You can choose to pull your payment from an account with Royal or from another financial.

How do I inform Royal Credit Union when I switch my homeowner's insurance company?

How do I get the documents to Home Loan Servicing?

- You can call, email or fax your declaration page to the Home Loan Servicing Department directly or drop it off at your local office as well.
715-834-6985 for the queue
715-858-5206 for the fax
homeloanservicing@rcu.org for the email

I am going to pay off my mortgage. What happens to the money in my escrow. Can I have it?

- The funds in escrow are netted off of the principal balance. If you would rather have the funds that are in escrow, please submit a written request to cancel escrow to homeloanservicing@rcu.org or to the address below. We will close your escrow and then you can pay off your mortgage.

Royal Credit Union
Attn: Home Loans Serving Department
200 Riverfront Terrace
Eau Claire, WI 54703

I just received a letter from Fannie Mae saying my loan was sold. I thought my loan would never be sold. Is this fraud or did you actually sell my loan?

- This is not fraudulent; we invested/sold your loan to Fannie Mae in order to provide you with a low fixed rate; the servicing of the loan is still with Royal. You make payments to Royal Credit Union and call us with any questions.

