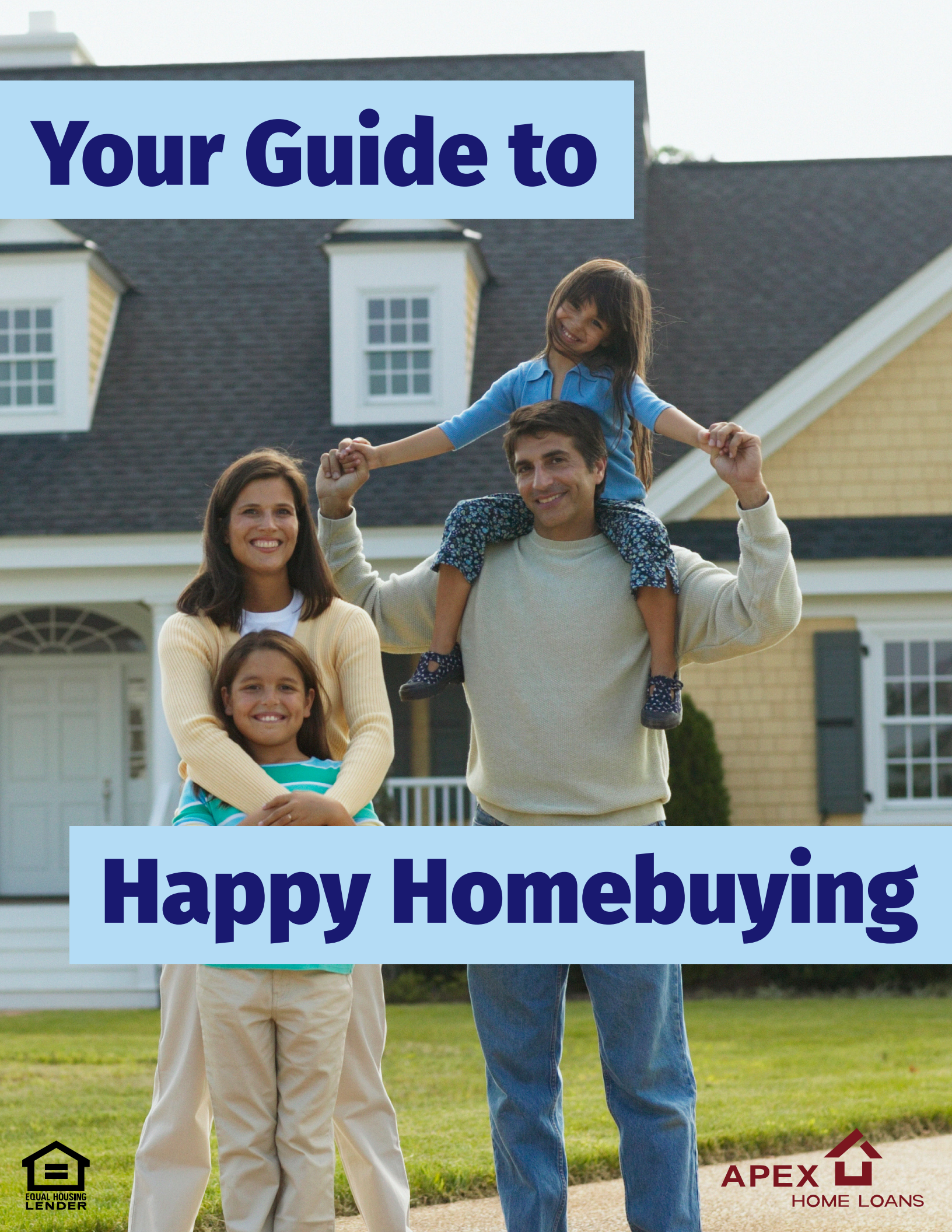
Your Guide to Happy Homebuying



EQUAL HOUSING LENDER

APEX HOME LOANS

A Better Mortgage Starts Here

Dear Homebuyer,

Buying a home can be a little daunting, but the more you know about the process the better! After all, knowledge is power, and we are here to educate you about loan options available, the loan process, and what makes Apex different from other lenders.

At Apex, we understand that your mortgage is only one part of your financial health. We strive to secure the perfect loan for your specific goals, so you can focus on achieving your dreams and building your family. Trust the local, experienced and independent team at Apex—serving Maryland, Washington, D.C., Virginia, West Virginia, Pennsylvania, Delaware, Florida and New Jersey—to be your lender for life.

Sincerely,

Your friends at Apex Home Loans

Contact Us:

3204 Tower Oaks Blvd., #400
Rockville, MD 20852
(301) 610-9600

9921 Stephen Decatur Hwy
Ocean City, MD 21842
(410) 213-8511

45610 Woodland Rd., #160
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32892 Coastal Highway, #5
Bethany Beach, DE 19930
(302) 999-0130

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(856) 235-5100

APEX HOME LOANS

Contents

The Apex Advantage

A Different Way of Lending

At Apex Home Loans, we're rethinking the status quo in the mortgage industry. As an independent, hands-on, and community-driven lender, we put our customers first, setting them on course to complete financial wellness. What can you expect with Apex?

Accountability & Accessibility - Personalized service backed by our local advantages:

- Complete in-house control from start to finish over the entire loan process.
- Extensive knowledge of the local market.
- Open lines of communication and weekly status updates.

Professional Expertise - Senior Mortgage Bankers who are:

- Certified Mortgage Planning Specialists (CMPS), a credential that puts them in the top 1% of the industry.
- Trained to contextualize mortgage decisions within a larger financial framework.

A Focus on Your Experience - A better borrowing experience, owing in part to:

- Our Customer eXperience Officer, whose entire focus is on your experience with Apex.
- Mortgages Under Management, a system designed to ensure you don't overpay for your mortgage.

Contingencies – Appraisal and Financing

Understanding Appraisals

An appraisal is an objective way to estimate the fair market value of a property, and obtaining an appraisal is one of the first steps in the closing process. The purpose of an appraisal is to verify that the price you're willing to pay is commensurate with the actual value of the home. They protect both the lender and borrower from overpaying.

Writing Your Offer

Writing an offer is the first step after you find a home you want to buy. Typically, homebuyers meet with their real estate agent when they're ready to make an offer, and they complete it together. An Offer to Purchase outlines a wide range of complex information, including contingencies, closing date, inspections, and of course, price. For this reason, working with a professional when writing your offer is advised to help avoid putting yourself at a disadvantage relative to other buyers. An attorney may also act as a resource to review your offer before you present it to a seller.

When submitting an offer, you'll also include a deposit that demonstrates your ability to complete the sale. Known as "earnest money" or a "good faith deposit," this sum is one to five percent of the purchase price and is held in escrow as a show of the seriousness of your offer. Once your offer is submitted, a seller may accept it as is, reject it, or make a counteroffer proposal. Counteroffers are common in the negotiating process, so rely on your real estate team to help you navigate through the process of arriving on a final offer.

Appraisal Contingencies

One commonly-used provision that real estate agents build into a purchase offer is an *appraisal contingency*. This clause allows a buyer to back out of a sale should an appraisal reveal the property value is above market value. In other words, if an appraisal indicates that a home on which you've made an offer is in fact priced above market value, this contingency keeps you from being forced to accept diluted equity in the property.

Financing Contingencies

A financing contingency is a clause in a purchase agreement that protects the buyer from monetary loss if they are unable to secure financing for the property. This clause commonly contains details such as the type of loan the buyer is seeking, the interest rate of the loan, the down payment amount, and other loan terms. One of the most crucial aspects of a financing contingency is the fact that it typically stipulates that a buyer's earnest money is returned if they are unable to obtain financing. Earnest money, as you may know, is the sum a buyer may initially put down to show the seller they can complete the offer.

Which is the Best Loan for You? We Can Help You Decide.

There are several types of loans for which you may qualify. Please note that although most of these types of loans are available in most areas, some may not be offered in the area where you are buying a home.

There are many types of mortgage programs available. The right type of loan for you depends upon several factors:

- Your current financial situation
- How you expect your finances to change
- How long you intend to keep your home
- How comfortable you are with the possibility that your mortgage payment may rise in the future

When considering loan programs, the first decision is usually whether you prefer a fixed-rate mortgage or an adjustable-rate mortgage (commonly referred to as an ARM). For example, a 5-year ARM will have a lower initial payment than a 30-year fixed-rate mortgage, but the interest rate and payments can increase over time. The best way to find the "right" answer is to discuss your finances, your plans, your financial prospects, and your preferences with your Mortgage Banker.

30-year fixed-rate:
A 30-year fixed-rate mortgage provides the borrower with a fixed rate for the entire 30-year term of the loan. With this loan, the borrower will pay the loan in full if he or she makes the required principal and interest payment for 30 years. The primary benefit of a 30-year fixed-rate versus other fixed-rate loans is that the payment is the smallest since the term is the longest.

20-year fixed-rate:
You can shorten your mortgage term by 10 years and usually get a lower interest rate with the 20-year mortgage. Another advantage with the shorter term, besides paying your loan off sooner, is that you'll also build more equity in your home sooner than you will with a 30-year loan. Your monthly payments will be higher, however, when compared to a 30-year fixed-rate mortgage.

15-year fixed-rate:
Has the same benefits as the 20-year term (i.e., quicker pay-off, faster equity build-up, lower interest rate), but you will also have a higher monthly payment.

You Can Always Plan (Ahead) With a Fixed-Rate Mortgage.

A fixed-rate mortgage is the standard against which most other mortgage products are measured. Fixed-rate mortgages feature a fixed interest rate for the life of your loan (known as the term), so your monthly payments (principal plus interest) will always be the same. When choosing a fixed-rate mortgage, most home buyers choose a 30-year or 15-year term, though 10- and 20-year terms are also available. If you have a 30-year mortgage, the interest rate you pay will be locked in for all 30 years. At the end of the 30th year, if payments have been made on time, the loan will be paid off in full.

Fixed-rate loans are the most advantageous when rates are low and you plan to stay in your home for an extended period of time. fixed-rate loans permit you to pay the loan balance off before the end of the term with no prepayment penalty. You may also add extra dollars to your scheduled monthly payments enabling you to pay off your loan earlier. The length of the term of your fixed-rate mortgage affects both the monthly payment on the mortgage and the number of years needed to pay the loan in full. As a rule of thumb, the longer the term, the lower the payment.

What's an ARM, and Why Would You Want One?

Adjustable-rate mortgages (also called ARMs) have a unique interest rate feature that allows changes, or adjustments, to the interest rate over the life of the loan. An ARM may be attractive to you if you desire a slightly lower interest rate during the initial stages of owning your home when compared to a fixed-rate loan. If you expect that your income will rise in the future, or if you are not planning to stay in the same home for long, an ARM may be right for you.

How often your interest rate adjusts is determined by the term of the loan. You may choose a 5-year, 7-year, or 10-year ARM term, or even some other term.

There is usually an initial period of time during which the rate won't change. This might be anywhere from six months to several years. For example:

- A 5-year ARM would mean the initial interest rate would stay the same for the first five years and then would adjust each year beginning with the sixth year.
- A 10-year ARM would mean the initial interest rate would stay the same for the first ten years and then would adjust each year beginning with the eleventh year.

In addition, most ARM loans have annual and lifetime "caps." A cap is the maximum amount by which a payment or a rate can increase. For example, the interest rate on an ARM loan with 2% annual caps cannot increase by more than 2% per year. An ARM loan with a 6% lifetime cap can never have a rate higher than 6% over the starting rate, and so on.

The Common Conventional Loan.

A conventional loan is one that is not guaranteed or insured by the U.S. government. It meets underwriting requirements set forth by a Government-Sponsored Enterprise (GSE). This loan type is ideal for homebuyers with good credit scores. It offers the major benefit that mortgage insurance may not be required, depending on how much equity you hold in your home. Conventional loans can also have less strict appraisals and inspection standards. There are a variety of conventional loan programs with different minimum down payments, as low as 3%.

Need Another Mortgage Product?

Sometimes homebuyers simply don't have a large enough down payment or haven't yet established a strong enough credit history to obtain a conventional loan. To accommodate the needs of these mortgage borrowers, our Mortgage Bankers offer mortgage alternatives that have proven attractive and affordable for home buyers over the years. Some of these are described below.

FHA (Federal Housing Administration) Loans

FHA loans are a good fit for borrowers with less than perfect credit or limited resources for a down payment. Underwriting guidelines are more lenient than with other loans, such as conventional loans.

The most popular FHA loan has a minimum cash investment requirement of 3.5%, but permits 100 percent of the money needed at closing to be a gift from a relative, nonprofit organization, or government agency. FHA also allows you to perform a "streamline" refinance when rates go down to lower your interest rate. This program is inexpensive and easy to execute. Ask your Mortgage Banker about the streamline refinance option available to FHA borrowers.

VA (Veteran's Administration) Loans

For active-duty military, veterans, and reservists, VA loan programs offer low rates and low or no-money-down options. The VA home loan program gives you the ability to buy with no out-of-pocket costs. As the VA program requires no mortgage insurance, monthly payments are frequently less than any other no-down-payment loans. The VA also offers a low-cost Interest Rate Reduction Loan (IRRL) program allowing you to refinance and lower your mortgage payment inexpensively. Finally, the maximum VA loan amount varies, so check with one of our Mortgage Bankers for up-to-date information.

Other Loans May Be Available!

As a direct lender, we work closely with these programs to provide down payment assistance:

DC Open Doors
Maryland Mortgage Program (CDA)
Delaware State Housing Authority
Montgomery County HOC Program

Approved Freddie Mac direct seller
Approved FHA, VA, USDA lender

The mortgage industry is always improving and always developing new products to help families finance homes. Contact a Mortgage Banker to discuss if there are other mortgage products available that may be right for you.

Where Do Your Payment Dollars Go Over the Years?

If you have ever wondered where your loan payment dollars go, relax, you are not alone. Loan repayment involves a somewhat confusing word: amortization. Amortization is simply a word to describe the fact that every month, a portion of your loan payment pays principal due on the loan and a portion pays interest due on the loan. At the beginning of a loan, a larger portion of the payment is applied to the interest on the loan. The proportion changes over the course of the loan, and toward the end of the loan period, a larger proportion is applied toward the principal.

Other Things To Know About Buying Your Home

There will be several major events that occur as you purchase a home. Some are related to the home purchase, and some to the mortgage application. Below are some things you can expect.

Apply For Prequalification or Preapproval

Prequalification or preapproval is an informal way to see how much you may be able to borrow.

You can be prequalified over the phone with no paperwork. You can simply call your lender, provide them with your income, your long-term debts, and how large a down payment you can afford. Getting a prequalified mortgage puts you in a good position to understand what you can afford.

Your preapproval is a lender's indication that they will lend you money for a home. It involves assembling your financial records, just as you would for an actual loan application, and going through a preliminary approval process. Preapproval gives you a definite idea of what you can afford and presenting a preapproval letter with your offer shows sellers that you are serious about buying.

Getting preapproved provides you with more negotiating power with the seller and gives you preference in the event that the seller receives multiple offers. In addition, many real estate agents will work with you only after you have been preapproved for a mortgage.

Find The Home You Want

When you're looking for a home, you're buying more than a house...you're investing in a property that, if carefully selected, can appreciate in value considerably while you enjoy living in it. Before you buy, consider the home carefully and whether it suits your needs. Will it need changes, upgrades, or improvements, or is it perfect the way it is?

Make An Offer

Before making an offer on a house, you should have a good idea of its market value. What are comparable properties selling for? How long has the house been on the market? Do major systems require updating? It is important to note that your loan amount will be based on either the property's appraised value or purchase price—whichever is lower.

Once Your Offer Has Been Approved, It Is Time To Apply For Your Loan!

Whether you are purchasing or refinancing a home, you will eventually need to formally apply for a loan. During the loan application, your Mortgage Banker will review your credit, income, and asset information and begin the process of approving you for a loan. The loan application is the perfect time to go over the loan process and get the information you need to ensure a smooth and satisfying mortgage experience.

Get a Loan Estimate

A Loan Estimate is a three-page form that you receive after applying for your mortgage. The Loan Estimate provides important details about the loan you have requested including the interest rate, and total closing costs for the loan and the transaction that you are likely to pay. The Loan Estimate also gives you information about the estimated costs of taxes and insurance, how the interest rate and payments may change in the future, and may include information if the loan you applied for includes special features such as an adjustable rate. Your lender is required to supply the Loan Estimate to you within 3 business days after completing your loan application to assist you to make accurate judgments when shopping for your loan.

Understanding Your Closing Costs and Escrows

Settlement charges is a general term that refers to all of the costs of purchasing a home. Specifically, though, there are two types of settlement charges: closing costs and escrows. *Closings costs* are the direct fees paid to all third-party service providers connected with purchasing a home. *Escrows,* on the other hand, are costs due at the time of closing as an upfront payment for property tax, homeowners insurance liabilities, and the establishment of reserve accounts that will be funded monthly to deal with future liabilities. Escrow costs are the same no matter which lender is used to purchase a home. While specific closing costs can vary depending on where you are buying a home, generally speaking, closing costs and escrows are made up of the following:

General Closing Costs

- Appraisal Fees
- Credit Report Fees
- Title Search/Title Insurance Fees
- Loan Origination Fees
- Recording Fees
- Survey Fees
- Loan Discount Points (where applicable)
- Closing/Attorney/Escrow Fees

General Escrow Costs

- Homeowners Insurance (you will need paid receipt prior to closing)
- Property Taxes
- Interest Due (from the day of closing to the end of the month)
- Mortgage Insurance Premiums

Provide Accurate Information

Your primary responsibility during the lending process is to supply honest and accurate information to your lender. This will ensure that your lender can offer you the best mortgage with the best terms for you and your family. Following are some helpful tips to ensure you are providing the most accurate information.

- Be sure to read & understand everything before you sign
- Refuse to sign any blank documents
- Do not buy property for someone else
- Do not overstate your income
- Do not overstate how long you have been employed
- Do not overstate your assets
- Accurately report your debts
- Seek to understand all risks associated with your loan product, especially if it is an adjustable-rate loan or balloon loan
- Do not change your income tax returns for any reason
- Tell the whole truth about gifts
- Do not list fake co-borrowers on your loan application
- Be truthful about your credit problems, past and present
- Be honest about your intention to occupy the house
- Do not provide false supporting documents
- Make sure you are aware if your loan has a pre-payment penalty or negative amortization

Now that you understand your responsibilities and are ready for the commitment, it's time to set your closing date.

Set a Closing Date

Your closing date will be specified in the Purchase Agreement you sign with the seller, and this document spells out events that must take place before closing. The closing date should allow you enough time to apply for and obtain a mortgage, and should take into consideration such contingencies as property inspections, the title report review, or other complications which may involve legal assistance. The lender may require certain repairs to the home before agreeing to fund the loan. Consult with your Mortgage Banker to determine a date that leaves adequate time for all the procedures that lead to a successful closing.

We Know All of This Can Be Confusing, But Remember Your Mortgage Banker Is There to Help.

It's to your advantage to be exposed to some of the language and concepts of the home buying process before you begin seriously shopping for a home. But it's your Mortgage Banker's goal to assist you all the way: to find the perfect loan for you, to make clear all the options open to you, to be available to answer your questions over the phone, and to attend your closing to help you understand the documents you'll be signing.

Mortgage Bankers are experts at making your purchase of a new home an efficient and gratifying experience. They routinely seek out information on the latest developments in the mortgage industry, developments that can potentially provide you with a substantial savings when you take out your loan. Make certain your Mortgage Banker knows how to contact you daily throughout the home-buying process, and don't hesitate to phone them with your concerns and questions.

From left to right: Stewart Zemil, COO, Craig Strent, CEO, Eric Gates, President, Michael Parsons, Chairman

It's Closing Time.

Closing is when you actually make the financial commitment to homeownership and where the legal transfer of property takes place.

Be prepared at closing to do two things:

Sign Legal Documents

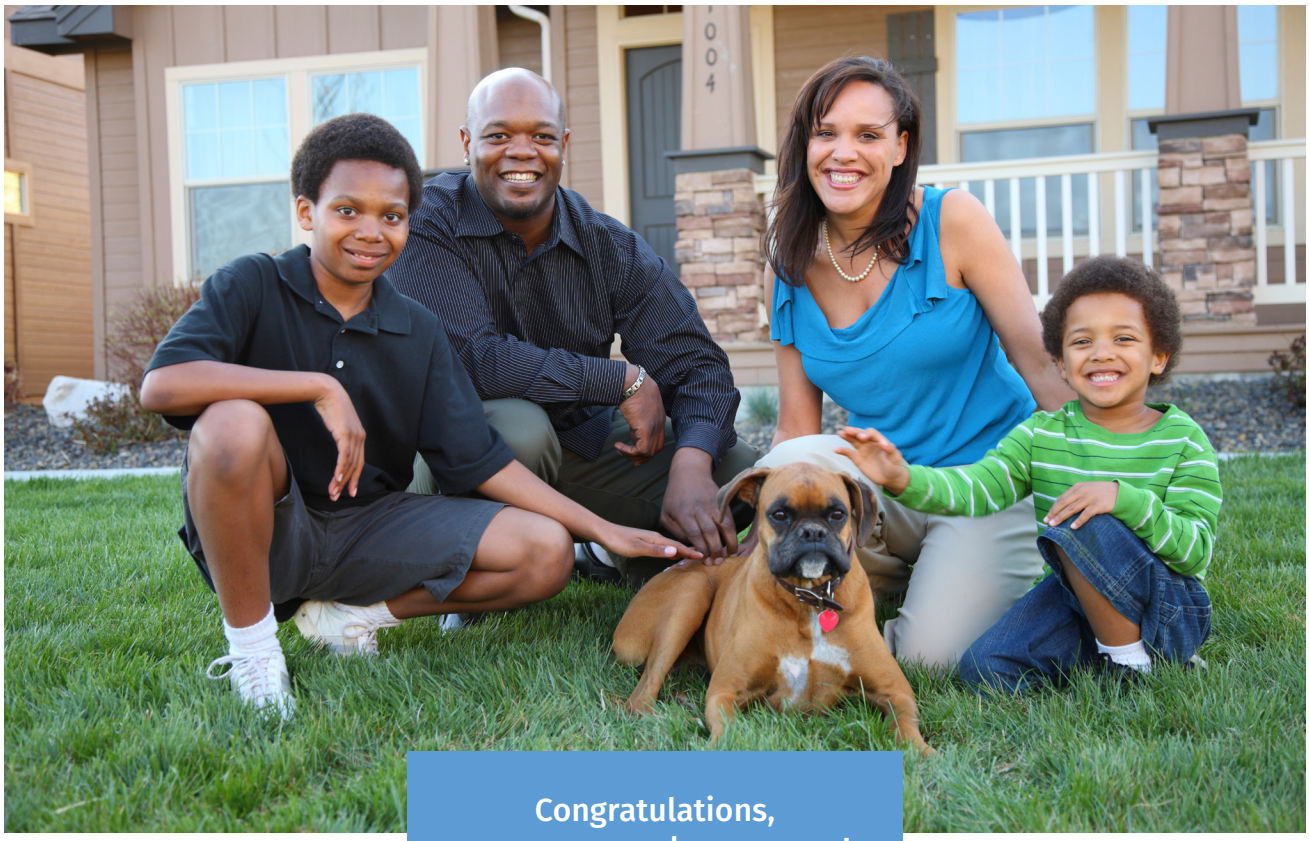
These documents fall into two categories: The agreement between you and the lender regarding the terms and conditions of the mortgage and the agreement between you and the seller to transfer ownership of the property.

Once you understand all the documentation, you'll sign the mortgage or deed of trust and a mortgage note as well as other paperwork required by the lender. Ask your Mortgage Banker in advance of closing about any question or concerns that you may have. Remember, you can ask plenty of questions at your closing if necessary.

Pay Closing Costs, Escrows and Down Payment

There are numerous fees associated with obtaining a mortgage and transferring property ownership. Many of these have been described previously in this guide. Make sure you have a cashier's check for the exact amount ready at closing to present to your lender. Your Mortgage Banker will provide this information to you prior to closing, so make sure you come prepared.

Finally, you've signed all the legal documents and have made the commitment.



**Congratulations,
you are now a homeowner!**

Don't Overpay on Your Loan!

At Apex Home Loans, we realize that keeping tabs on the mortgage market just isn't part of people's every day lives. And you know what? That's okay! We will monitor your mortgage for the entire life of your loan and alert you to savings opportunities — and that's just one component of our program, *Mortgages Under Management.* Our refined mortgage management program begins at the planning stage of your loan, and our experience in this area is substantial.

Active mortgage management prevents you from becoming one of the many homeowners who overpays for their loan. The majority of homeowners do not know this is happening because their lenders do not work with them to establish a future rate target at which point they can save money. What's more, most lenders do not have a system in place to monitor your mortgage at all. Apex Home Loans' monitoring system proactively alerts customers when they can save money, so you can always rest assured that you have the best mortgage terms possible in the constantly changing marketplace.

How does Mortgages Under Management Work?

We start by getting you the perfect mortgage at a great rate through our mortgage planning process. From start to finish throughout the life of your mortgage, you'll have access to an experienced Mortgage Banker, the vast majority of whom are Certified Mortgage Planning Specialists (CMPS). The CMPS designation is held by less than 1 percent of mortgage industry professionals, and it truly makes our Mortgage Bankers expert strategists in several vital areas, including mortgage and real estate taxation, cash flow planning, real estate investment planning, and more. Through proper mortgage planning, you will understand how your home loan impacts your financial goals, cash flow, retirement budget, and more—ultimately determining the best loan for you.

Next we are able to ensure you will not overpay for your home loan with interest rate alerts and ongoing monitoring. Our streamlined approach to customizing your mortgage eliminates financial uncertainty by letting you select the rate you want and creating alerts to opportunities that can save you thousands on your home loan. It's as simple as filling out a form, which your Mortgage Banker can provide. Then, with our Auto-Lock system, we'll actively monitor your desired rate and alert you when it becomes available.

We will stay in touch and keep you informed about any money-saving opportunities using our RateWatch Reports. This quarterly mailing will ensure you are not overpaying on your mortgage as it compares to the market. When money-saving opportunities arise, or when changes in life warrant a new approach to your mortgage, you'll know exactly where you stand.

Our Commitment to Your Experience

Ever heard of a *Chief eXperience Officer*? At Apex, we're so committed to providing you with a great experience that we created – from scratch – the role of CXO (Chief eXperience Officer). Our CXO works closely with the owners of the company to ensure that we are constantly challenging not only the status quo in the mortgage industry, but the status quo in all service-related experiences. We're actively raising the bar. And why not! You're about to take on what's likely your largest liability. We believe you deserve a carefully-selected, *kind* team of experts to help guide you along this journey. Every member of our team, from operations to sales, comes together twice a month to discuss your experience. We celebrate the successes and we work conscientiously to correct course when there are challenges. Our CXO reminds us that a commitment to customer experience isn't an initiative, it's a quest.

So, what's in it for us? Not only does it feel great for our staff to be given the freedom and flexibility to WOW our customers daily … as a result of our efforts, more than two-thirds of our business today is that of returning borrowers and those they feel *compelled* enough to refer.

Our CXO will be checking in with you – not only after you've completed your loan, but – along the way as well. You know those customer surveys? He reads every word.

Ready to get pre-approved or still have questions? We are here to help! Visit us online at www.apexhomeloans.com to get connected with a mortgage banker today.

Glossary of Terms

Adjustable-Rate Mortgage (ARM): a mortgage in which the interest rate is adjusted periodically based on a pre-selected index. Also sometimes known as a variable-rate mortgage.

Amortization: loan payment by equal installments of principal and interest, calculated to pay off the debt at the end of a fixed period.

Annual Percentage Rate (APR): the interest rate reflecting the cost of a mortgage as a yearly rate. It allows home buyers to compare different types of mortgages based on the annual cost for each loan.

Appraisal: a document giving an estimate of a property's fair market value; generally required by a lender before loan approval.

Assessment: a local tax levied against a property for a specific purpose, such as a sewer or street lights.

Balloon (Payment) Mortgage: usually a short-term fixed-rate loan which involves small payments for a certain period of time; after that time period elapses, the balance is due or is refinanced by the borrower.

Borrower (Mortgage): a person approved to receive a loan who is then obliged to repay it and any additional fees according to the loan terms.

CAP: a consumer safeguard on an adjustable-rate mortgage that limits how much a monthly payment or interest rate can increase or decrease.

Certificate of Eligibility: document given to qualified veterans entitling them to Veteran's Administration guaranteed loans. Obtained by sending DD-214 (Separation Paper) to the local VA office with VA form 1880 (request for Certificate of Eligibility).

Certificate of Reasonable Value (CRV): appraisal issued by the Veterans Administration showing a property's current market value.

Closing: the meeting between the buyer, seller, and lender or their agents where the property and funds legally change hands.

Commitment: an agreement, often in writing, between a lender and a borrower to loan money at a future date subject to the completion of paper work or compliance with stated conditions.

Construction Loan: short term interim loan to pay for the construction of buildings or homes. Usually written to provide periodic disbursements to the builder as progress is made.

Contract Sale or Deed: contract between buyer and seller of real estate to convey title after certain conditions have been met.

Conventional Loan: a private sector loan, one that is not guaranteed or insured by the U.S. government.

Credit Report: documents an individual's credit history, listing all past and present debts and the timeliness of their repayment.

Debt-to-income Ratio: the ratio, expressed as a percentage, which results when a borrower's monthly payment obligation on long-term debt is divided by their gross monthly income.

Deed of Trust: in many states, a document used instead of a mortgage to secure the payment of a note.

Default: failure to make the monthly payments on a mortgage.

Delinquency: failure to make payments on time. This can lead to foreclosure.

Down Payment: the portion of a home's purchase price paid in cash and not part of the mortgage loan.

Earnest Money: money given by a buyer to a seller as part of the purchase price to bind a transaction or assure payment.

Equal Credit Opportunity Act (ECOA): a federal law requiring lenders to make credit equally available without discrimination by race, color, religion, national origin, age, sex, marital status, or income from public assistance programs.

Equity: an owner's financial interest in a property; calculated by subtracting the amount still owed on the mortgage from the fair market value of the property.

Escrow: an account held by the lender into which the home buyer pays money for tax or insurance payments.

FHA: the Federal Housing Administration provides mortgage insurance to lenders to cover most losses when a borrower defaults; this encourages lenders to make loans to borrowers who might not qualify for conventional mortgages.

FHA Loan: loan insured by the FHA open to all qualified home purchasers. While there are limits, they are generous enough to handle moderately priced homes almost anywhere in the country.

FHA Mortgage Insurance: a policy paid at closing to insure the loan with FHA.

Fixed-Rate Mortgage: mortgage with payments that remain the same throughout the life of the loan because the interest rate and other terms are fixed.

Foreclosure: a legal process in which mortgaged property is sold to pay the loan of the defaulting borrower.

Hazard insurance: form of insurance in which the insurance company protects the insured from specified losses, such as fire or windstorm.

Lien: a legal claim against property that must be resolved before the property is sold.

Loan-to-Value (LTV) Ratio: a percentage calculated by dividing the amount borrowed by the sales price or appraised value of the home to be purchased.

Lock-In: guarantees a specific interest rate if the loan is closed within a specific time.

Market Value: the highest price that a buyer would pay and the lowest price a seller would accept on a property.

Mortgage insurance: a policy that protects lenders against some or most of the losses that can occur when a borrower defaults on a mortgage loan; usually required with a down payment of less than 20%.

Mortgage Modification: an option that allows a borrower to refinance and/or extend the term of the mortgage loan and thus reduce the monthly payments.

Origination Fee: fee charged by a lender to prepare loan documents, make credit checks, inspect and sometimes appraise a property; usually a percentage of the loan's amount.

Points: prepaid interest charged at closing by the lender. Each point equals 1 percent of the loan (e.g., 2 points on a $100,000 mortgage would be $2,000).

Prepayment: permits the borrower to make payments in advance of their due date, thus saving money on interest.

Prepayment Penalty: charges for the early repayment of debt. Principal: the borrowed amount, less interest or additional fees.

Private Mortgage insurance (PMI): insurance paid by the borrower. This may be required by the lender when the down payment is less than 20%.

Realtor®: a real estate agent or broker affiliated with the National Association Of Realtors and its local and state associations.

Recording Fees: money paid to the lender for recording a home sale with the local authorities, thereby making it part of the public records.

Refinancing: paying off one loan by obtaining another; refinancing is generally done to secure better loan terms (like a lower interest rate).

RESPA: The Real Estate Settlement Procedures Act allows consumers to review information on known or estimated settlement cost once after application and once prior to or at a closing. The law requires lenders to furnish the information after application only.

Second Mortgage: a mortgage made subsequent to another mortgage and subordinate to the first mortgage.

Survey: a measurement of land, prepared by a registered land surveyor, showing the location of the land with reference to known points, its dimensions, and the location and dimensions of any buildings.

Title: a document that gives evidence of an individual's ownership of property.

Title insurance: a policy, usually issued by a title insurance company, which insures a home buyer against errors in the title search. The cost of the policy is usually a function of the value of the property, and is often borne by the purchaser and/or seller.

Title Search: a check of public records to be sure that the seller is the recognized owner of the real estate and that there are no unsettled liens or other claims against the property.

Truth-in-Lending: a federal law requiring disclosure of the annual percentage rate charged to home buyers shortly after they apply for the loan.

VA Loan: a long-term, low- or no-down payment loan to veterans guaranteed by the Department of Veterans Affairs.

Verification of Employment (VOE): a document signed by the borrower's employer verifying his/her position and salary.

Compare While You Shop

Below is a checklist of common features to keep in mind while shopping around for your perfect home!

	1	2	3
Oil Heat			
Gas Heat			
Electric Heat			
Hot Water Heat			
Insulation			
Central Air Conditioning			
Energy Conservation Features			
Age of Heating System			
Age of Water Heater			
Capacity of Water Heater			
Age of Electrical Wiring			
Plumbing Condition			
Estimated Water Bill			
Estimated Heating Bill			
Estimated Electric Bill			
Living Room			
Fireplace			
Separate Dining Room			
Family Room			
Drapes – Number of Rooms			
Carpeting – Number of Rooms			
Kitchen Eating Area			
Refrigerator			
Stove/Oven (Gas/Electric)			
Garbage Disposal			
Dishwasher			
Broken Windows			
Storm Windows/Screens			
Washer/Dryer Outlets			
Laundry Space			
Finished Basement			
Attic			
Sump Pump/Drainage			
Connected to Sewer System			
Patio			
Backyard Fence			
Landscaping			
Property Boundaries			
Security (dead bolts, detectors)			
Building Code Compliance			
Ability to Expand/Enlarge House			
Utility Company			

APEX HOME LOANS

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