Meet Our Speakers

Jeff Klein, Congressional Federal Credit Union

Jeff is the Assistant Vice President of Mortgage Lending for Congressional Federal's Real Estate Lending business. He has spent his entire career in the home lending business, working for both banks and credit unions. Jeff joined Congressional Federal in 2012 and led the effort to launch the credit union's in-house mortgage operation.

Jessica Youngs, Champion Title & Settlements, Inc.

Jessica is an attorney with a wide range of experience, including litigation in federal and state courts. For the past several years, she has provided legal counsel to real estate title companies in Virginia and has conducted thousands of real estate settlements in the Northern Virginia area. She has experience teaching real estate agents and loan officers on a wide range of topics including contracts, fair housing, title insurance, and RESPA compliance.

Pia Reyes, Coldwell Banker

Pia is a realtor with over 20 years of experience in mortgage financing. She is consistently recognized and awarded by the Northern Virginia Association of Realtors. In 2015, she received the International Sterling Award, distinguishing her as one of the International Top 11% agents worldwide. With decades of experience, she is ready to consult and design a customized plan to help clients achieve their real estate dreams.

TOP 10 THINGS

Consumers Should Know About the Closing Process

The Consumer Financial Protection Bureau (CFPB) created the TILA-RESPA Integrated Disclosure (TRID) Rule to improve mortgage disclosure forms to make it easier for consumers to understand the terms of their loans and closing costs. In order to ensure a timely closing, it is more important than ever that you communicate with your lender, real estate agent and settlement professional.

1 TIME IS OF THE ESSENCE

- To avoid delays or a postponement of your closing, be sure to respond to lender and settlement company requests immediately.
- Work closely with your lender, real estate agent and settlement professional to avoid delays.

2 YOU HAVE A CHOICE

- When it comes to service providers associated with your closing, you have a choice. This includes the company or attorney that will close your transaction and most inspectors, just to name a few. In certain areas, the seller will pay for some closing costs and thus will be entitled to select the vendor(s).
- Talk to your lender, real estate agent and settlement professional to obtain additional information about the various service providers and fees.

3 PROTECTING YOUR INFORMATION

Secured emails

- As an additional security measure to protect your non-public personal information, you may receive secured emails from your lender and settlement service provider.
- You will need to follow the instructions for retrieving that information (which will likely require you to create an account) and make sure that you return any information through the secured email system.

4 LOAN ESTIMATE (LE)

- The Loan Estimate (LE) will be sent to you within three days of your loan application. You may receive multiple copies of the LE if there are any changes in circumstance(s).
- The terms provided on the LE will also appear on the Closing Disclosure (CD). Lenders are required to explain any changes in fees on the CD.

5 PREPARING FOR CLOSING

- Approximately 10 – 14 days before you are scheduled to sign your documents you should be prepared to communicate with your lender, real estate agent and settlement professional. It will be important for you to provide your hazard insurance information.
  NOTE: Wiring instructions will be subject to strict verifications to prevent fraud.
- Discuss this with your closing professionals well in advance.

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TOP 10 THINGS

Consumers Should Know About the Closing Process

6 CLOSING DISCLOSURE (CD)

- A closing statement called the Closing Disclosure (CD) will be used for most loan applications taken on and after October 3, 2015. The CD will be sent directly to you (buyer/consumer) and not your real estate agent.
- The CD is designed to make it easy for you to understand the terms of your loan.

7 THREE DAY REVIEW PERIOD

- The Closing Disclosure (CD) must be delivered to the buyer/consumer at least three business days prior to the signing the documents.
- If the CD is delivered via email it is important to acknowledge receipt to avoid additional delays.
- The CD may also be mailed seven days in advance and does not require proof of receipt.
- This time allows you to share it with your agent, attorney and/or financial advisor and ask questions or get clarifications from your lender about the terms and conditions of your loan.

8 OWNERS TITLE INSURANCE

- Lenders typically require their borrowers to purchase a Lender's Policy of Title Insurance for the purchase loan(s).
- The fees are usually based on the amount of the loan(s).
- However, a lender's policy protects only the lender's interests should a problem with the title arise.

9 LENDERS TITLE INSURANCE

- Research the value and importance of an Owner's Title Insurance Policy early on in the process of obtaining a loan and closing on the purchase of your home.
- Homebuyers often assume that the Lender's Title Insurance Policy protects them from challenges to their ownership rights in the property being acquired. This is not the case. Instead, the homebuyer's interests are protected by an Owner's Title Insurance Policy. This insurance coverage typically protects against adverse matters such as ownership challenges, errors and omissions in deeds, forgery, and undisclosed heirs, among other things. It also provides coverage for the attorney's fees that arise where legal challenges to your property's ownership occur. Its cost is typically based on the home's total purchase price, and is a one-time fee paid at closing.

10 ASK QUESTIONS

- This is one of the most important purchases of your life. Do not be afraid to ask questions of your lender, real estate agent and settlement professional.

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Condo Buyer's Guide:
What you need to know when buying a condo

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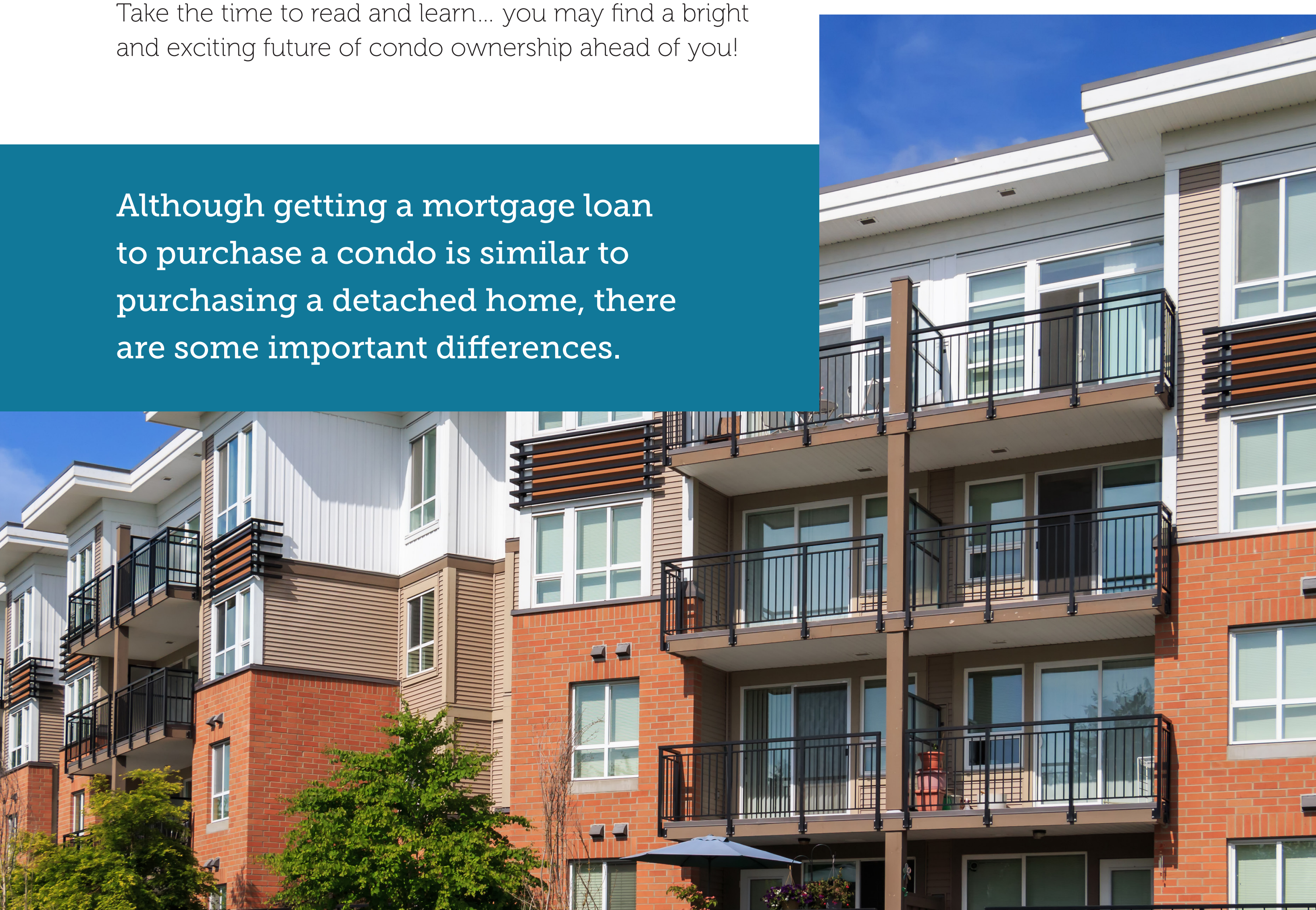
Is buying a condo right for you?

Condominiums, or condos, can be great alternatives to detached homes. City dwellers, singles, couples, seniors, and many others may find condos that suit their needs and budgets. Others may simply prefer low-maintenance living. Buyers who feel "priced out" of homes may discover condos offer an affordable homeownership alternative. For some buyers, a condo is a place to live for a few years. For others, a condo can be home sweet home for a lifetime.

This guide is designed to help you learn terms, questions, and obligations you should understand before you decide to buy a condo.

How do you become a well-informed condo buyer? Take the time to read and learn... you may find a bright and exciting future of condo ownership ahead of you!

Although getting a mortgage loan to purchase a condo is similar to purchasing a detached home, there are some important differences.



Just what is a condominium?

You may have a basic understanding of what a condo is: you own your "unit" within a larger building or community of other condo owners. You jointly own the exterior property and common areas with all unit owners in the building or community. Condo owners pay a monthly "condo fee" that covers general repairs and maintenance to the building exteriors and common areas and builds up a cash reserve for future needs.

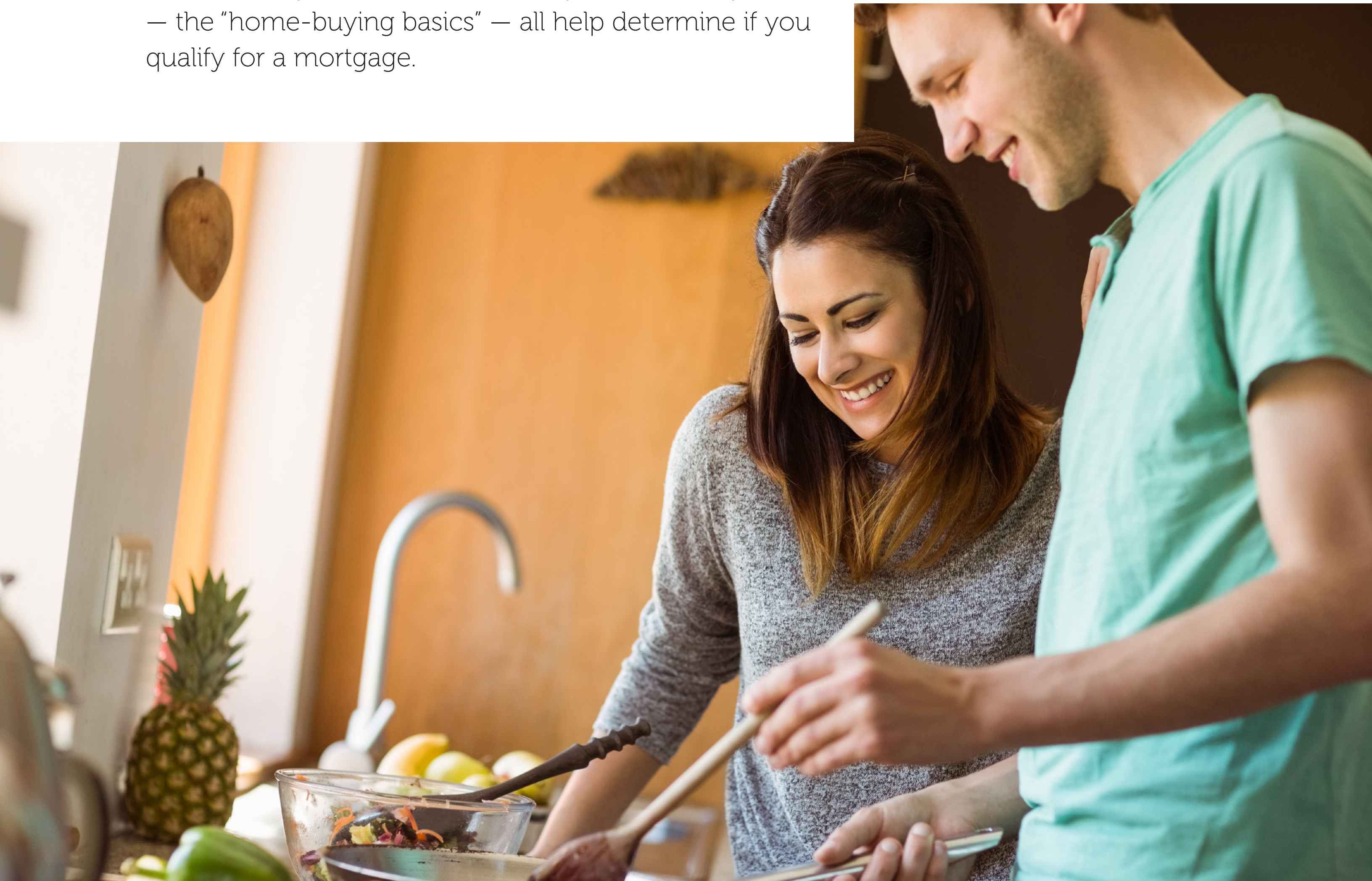
There are many styles of condos, from high-rise apartments reached through common interior hallways or garden-style apartments with outside entrances to multi-story townhomes. Each condo is different, but generally the maintenance of exterior and common areas is taken care of through your condo fee, so you don't have to worry about replacing a roof, for example.

But there's more to know. And one important thing is that condo ownership is homeownership. As a condo owner, you'll enjoy both the benefits and the responsibilities of homeownership.

You may find that homeownership provides you with tax and investment advantages. For example, you may be able to deduct your mortgage interest if you itemize deductions on your tax return, and you may discover that, like detached homes, condos may appreciate in value over time. Please consult your tax advisor about your individual situation.

Some important things to keep in mind

- Condos represent a community form of ownership.
- In addition to your monthly mortgage payment, local property taxes (in most areas), and insurance costs, you will pay a condo fee that may also be referred to as "homeowners' association" (HOA) dues or fees.
- Your lender will factor in the condo fee in determining how much of a loan you can qualify for. And, like detached homes, if your down payment is less than 20 percent of the purchase price, you may also have to pay PMI, or private mortgage insurance, each month—which is generally cancellable once you have more than 20% equity in your home.
- Your monthly income, credit history, and monthly debts — the "home-buying basics" — all help determine if you qualify for a mortgage.



Qualifying the property

Your lender will look at many of the same kinds of borrower qualifications for loans secured by condos as it does for loans secured by detached homes. It is critical for your lender to know that you can repay the loan without undue hardship to you or risk of default on your mortgage.

But with condos there are a few more things to know. To make sure your condo qualifies for the most favorable loan financing, your lender may evaluate several factors designed to assess the financial and governance strength of the condo community or building you are considering.

You'll want to evaluate the condo carefully before finalizing your purchase offer. You'll want to know:

- Are there any special assessments (such as for capital improvements to the condo property) that will affect your cost to own the condo unit, or the building's value, in the long term?
- Are there any major lawsuits pending against the condo association or developer that could limit your ability to obtain financing to purchase the condo? This is a question to discuss with your lender.

Remember, you're not just buying a home; you're buying into a community. Take the time to look around, to learn, and to ask the right questions.

Questions to ask your real estate professional, lender, and condo association

To help you learn more about purchasing a condo, here are some questions you may want to ask or research.

- How much can you afford to spend on a condo? Your lender will look at what your total monthly housing costs would be, taking into consideration the condo fee, property taxes, PMI (if applicable), plus the principal and interest payments on your mortgage loan. One of the best ways to determine how much you can afford is to get pre-qualified before you go condo shopping—ask your lender how.
- What are your legal rights and obligations under the condo bylaws? As a prospective purchaser, you will receive a copy of the condo bylaws and other documents that you should review so you understand the rules about remodeling, leasing your unit, fees and penalties, parking restrictions, pet ownership, and other obligations. If you have any questions, you may want to talk with an officer of the condo association, or a real estate attorney with experience in your area.

Remember, this is only a partial list meant to help you get started. If you have questions, ask your lender, your real estate professional, a real estate attorney, or the officers of the condo's HOA. You may also find it helpful to do some online research.

In most cases you have a limited period to review the condo documents after your purchase contract is accepted by the seller. Talk to your real estate professional, know your rights—and, if necessary, consult a real estate attorney.

- What is included in the condominium fee? Are utilities, hazard insurance premiums, or real estate taxes paid directly by homeowners or are they included in the condo fee? Is there on-site property management?
- Is parking deeded and/or assigned? Are there spaces for visitors? How many parking spaces are provided for the unit you want to purchase? Can spaces be purchased?
- How are officers elected to the condo board or HOA? How frequently are elections held? What are the qualifications to run for office? How long do officers serve? Are there term limits?
- What kinds of modifications to the unit are allowed? Is there a committee that reviews and approves changes?
- Is it possible to talk to some owners in the community or building? What is it like living there: for example, is maintenance handled well? Is there much turnover? Are there concerns about noise levels or other problems?
- What is the remaining useful life of the community or building's major components? These components include the roof(s), sewer and water pipes outside individual units, parking lots or garages, elevators, and other major building infrastructure. Is there a potential impact on the value of your condo?

- How much is in the cash reserve fund for future repairs? Are there any pending assessments or major repair projects that exceed the repair fund at this time? Has the HOA's accountant offered recommendations or has the HOA obtained a study on the adequacy of the cash reserve fund? Having adequate funds for both routine maintenance and cash reserves for major repairs or unexpected costs is critical. If necessary repair costs exceed the available funds, a special assessment can be imposed on all unit owners in the condo project, requiring a one-time payment or increasing the monthly condo fee for a period of time. Ask if the condo has any history of special assessments.

- Does the master property insurance policy cover full replacement costs? Does the policy have a building-ordinance clause to cover costs associated with bringing the building up to code in the event rebuilding is required?

- Does the master insurance policy cover the interior of the units as well as "common elements" used by all residents? If not, you will probably be required under the terms of your mortgage financing to purchase and maintain an insurance policy to cover your condo's interior, commonly known as an "HO-6" policy.

- Is the complex renter-friendly? If you are looking at your condo as a long-term investment, you may not want any restrictions on your future ability to rent out or sublease the unit. But if you plan to make the condo your long-time residence, you may prefer that owner-occupancy is high, so you'll be living among property owners (like you!). Inquire about all terms and conditions by which you can rent your unit, as there may be seasonal or other restrictions.

Ask to see the minutes from recent association meetings. This may help you identify the current "hot button" issues and see how they are being addressed.

Tips for moving forward

First, make sure you've covered the standard home-buying basics. When you're ready to purchase a condo, your lender can help you with the process and help you select the mortgage financing option that is best for you. If you have credit or other issues that need to be addressed before you can buy, ask the lender to refer you to a HUD-approved housing counselor.

Be proactive. Prepare your own checklist about the home style, services, and amenities that are important to you, and then visit a variety of condos to find one that fits your lifestyle.

When you're ready, your lender can help you with the process.

Glossary

Annual Meetings
Typically, meetings at which the condo board and management company report to the owners on management and financial matters, and non-board owners may have the opportunity to speak and discuss issues of concern. In some condos, elections may be held during the annual meetings.

Appraisal
A written estimate or opinion of a property's value prepared by a qualified appraiser.

Bylaws
Rules governing the internal management of the condo. You should review these prior to purchase because when you buy, you agree to abide by the condo bylaws.

Condo Fees/Dues (also known as HOA Fees/Dues)
Amounts paid, usually monthly, by unit owners to meet daily operating costs as well as contributions to the required reserve fund. Condo fees are not included in your monthly mortgage payment and must be paid directly to the condo/homeowners' association, usually through a professional management company. It is important to understand what is and is not included in the fees, as it varies from condo to condo.

Common Elements (areas)
Those portions of a building, land, and amenities that are used by all the unit owners, who share in the common expenses of their operation and maintenance. Common areas may include swimming pools, tennis courts, common corridors of buildings, parking areas, entrances and exits, and community rooms or centers.

Condominium
A form of homeownership that combines individual ownership of a unit with shared ownership of common facilities. Each owner has a separate mortgage for his or her unit and is responsible for making the payments on the loan and paying associated real estate taxes. An elected board of directors is responsible for operations and management of the common facilities. Each owner pays a monthly recurring fee that covers their share of the cost to repair and maintain the common facilities.

Declaration
Also known as a "master deed," this is a legal document that formally creates the condominium corporation in accordance with state law. The declaration defines the units and common property and specifies the interest each owner has in the common elements.

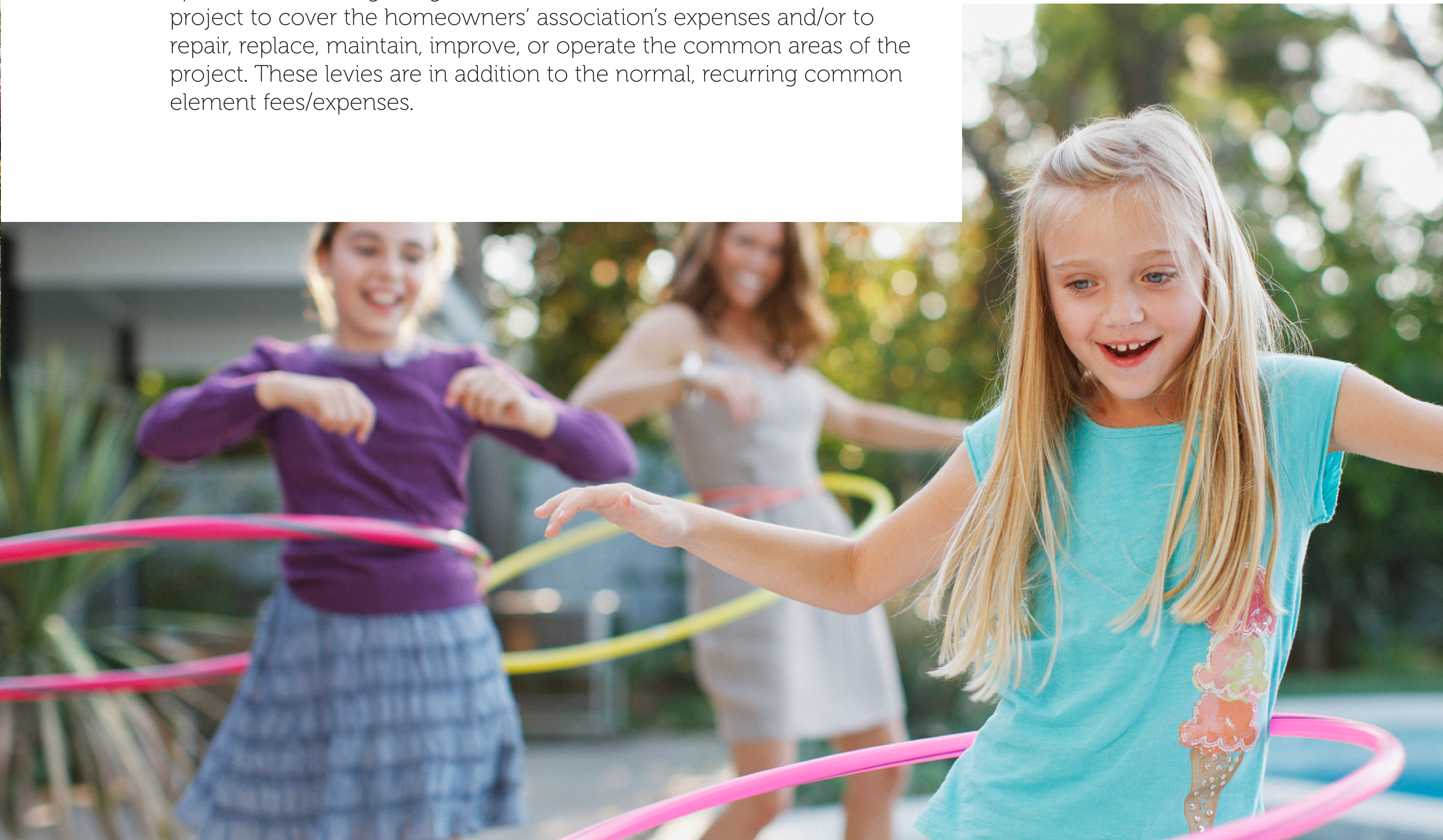
HO-6 Insurance
Condo unit owner's property insurance policy covering the unit interior. Condo buyers may be required or choose to purchase an HO-6 policy to obtain mortgage financing (see also Master Insurance).

Master Insurance
An insurance policy purchased by a condo or homeowners' association to provide coverage for the building exteriors and common elements; interiors of individual units may be included. Costs are borne by the condo owners through condo fees (see also HO-6 Insurance).

Owner Occupancy
Refers to individual condos being occupied by their owners (not rented out by the owner). The higher the rental rate, for example, the lower the rate of owner occupancy.

Replacement Reserve Fund
A fund set aside for replacement of common property in a condominium project. The amount of the fund is typically determined by periodic reserve studies conducted by experienced professional reserve analysts.

Special Assessments
Special levies (charges) against individual unit owners in a condo project to cover the homeowners' association's expenses and/or to repair, replace, maintain, improve, or operate the common areas of the project. These levies are in addition to the normal, recurring common element fees/expenses.



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WHY USE A REALTOR®?

All real estate licensees are not the same. Only real estate licensees who are members of the NATIONAL ASSOCIATION OF REALTORS® are properly called REALTORS®. They proudly display the REALTOR "®" logo on the business card or other marketing and sales literature. REALTORS® are committed to treat all parties to a transaction honestly.

REALTORS® subscribe to a strict code of ethics and are expected to maintain a higher level of knowledge of the process of buying and selling real estate.

An independent survey reports that 84% of home buyers would use the same REALTOR® again.

Real estate transactions involve one of the biggest financial investments most people experience in their lifetime.

Transactions today usually exceed $100,000. If you had a $100,000 income tax problem, would you attempt to deal with it without the help of a CPA? If you had a $100,000 legal question, would you deal with it without the help of an attorney? Considering the small upside cost and the large downside risk, it would be foolish to consider a deal in real estate without the professional assistance of a REALTOR®.

But if you're still not convinced of the value of a REALTOR®, here are a dozen more reasons to use one:

Your REALTOR® can help you determine your buying power - that is, your financial reserves plus your borrowing capacity. If you give a REALTOR® some basic information about your available savings, income and current debt, he or she can refer you to lenders best qualified to help you.

Your REALTOR® can help close the sale of your home. Between the initial sales agreement and closing (or settlement), questions may arise. For example, unexpected repairs are required to obtain financing or a cloud in the title is discovered. The required paperwork alone is overwhelming for most sellers. Your REALTOR® is the best person to objectively help you resolve these issues and move the transaction to closing (or settlement).

Your REALTOR® can help you negotiate. There are myriad negotiating factors, including but not limited to price, financing, terms, date of possession and often the inclusion or exclusion of repairs and furnishings or equipment. The purchase agreement should provide a period of time for you to complete appropriate inspections and investigations of the property before you are bound to complete the purchase. Your agent can advise you as to which investigations and inspections are recommended or required.

Your REALTOR® has many resources to assist you in your home search. Sometimes the property you are seeking is available but not actively advertised in the market, and it will take some investigation by your agent to find all available properties.

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YOUR HOME IS YOURS

Title insurance helps keep it that way.

You may think a problem with your title is a remote possibility, but one out of every four title searches exposes an issue.

There are many problems that could affect your title, including:

- Tax liens
- Forged signatures in the chain of title
- Recording errors
- Title search errors
- Claims by missing heirs and/or an ex-spouse

In a nutshell, title insurance protects from future loss if a covered claim against your property is made.

There are two types of title insurance:

OWNER'S POLICY

Protects you and your property - your equity.

Provides assurance that your title company will stand behind you if a covered title problem arises after you buy a home.

LOAN POLICY

Protects the lender for the amount of the loan.

If you only have a Loan Policy, you are not protected if a problem materializes with your title.

An Owner's Policy will protect you against the potential loss of your most valuable material asset. Your home.

Unlike most insurance policies, title insurance is a one-time-only fee. An Owner's Policy will protect you as long as you and your heirs have an interest in the property. Fees vary by state so contact Congressional Federal's mortgage team for more information.

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What do you feel were the most valuable topics covered?	

Consultation Request

Are you interested in a complimentary consultation to discuss home financing options? ❍ Yes ❍ No

If yes, please provide:

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Thank you for your cooperation and participation. We look forward to serving you better in the future.
We welcome your additional comments on the back of this form.