Home Buyer Seminar: The Home Buying Wiz Presentation Outline

The purpose of The Home Buyer seminar is to uncomplicate the home buying process from search to close.

This seminar will review key points of the Home Buying Process:

1. The overall housing market specifically in the DC, MD, VA areas
2. The process of deciding to buy a home
3. The pre-approval process
4. The process of finding a house, submitting an offer, and getting it ratified
5. Common deal killers
6. Additional costs and processes

*The moderator will open questions to the audience after each section of the presentation.*
Meet Our Speakers

Jeff Klein, Congressional Federal

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. Before joining Congressional Federal, he spent 10 years at E*TRADE Financial in their retail, wholesale and correspondent mortgage lending divisions. Prior to that, he advised numerous public and private sector clients as a Senior Consultant in KPMG Consulting’s Mortgage Banking practice. Jeff holds a finance degree from James Madison University.

Shaun Sullivan, Justice Title & Escrow, LLC

Shaun is one of the founding partners of Justice Title & Escrow, LLC and has over 15 years of experience in the industry. His extensive experience has led to assisting buyers, sellers and investors in over 50,000 transactions. As a company, Justice Title & Escrow, LLC close loans in all 50 states to include any type of transaction from refinancing, buying or selling of residential, land, new construction and commercial. The company works with every major lender and some of the top residential and commercial brokers in the United States.

Peter G. Morrow, RealtyWatch

Peter is a Realtor® at RealtyWatch with over 20 years of financial and real estate investment experience. A New York native licensed in the DC/MD/VA areas, Peter has relocated several times, which helps him to identify with his clients’ home buying and selling journeys. He offers his clients a unique rewarding experience by using his personal and professional background in pre-market renovations and investments to provide complimentary design consultations and affordable solutions that enhance future finances.
3 EASY STEPS to prepare for homeownership

1. Know Your Options
2. Qualifying for a Mortgage
3. Getting Pre-Approved

VISIT A BRANCH OR WWW.CONGRESSIONALFCU.ORG TO GET STARTED TODAY!
Step 1: Know Your Options

before you shop for a home

Step 1 involves exploring a few items such as:

• How much of a monthly payment can you afford?
• How much will a lender loan to you?

As your lender we will help you through the different scenarios by asking a few simple questions. Based on standard lending guidelines, we will best determine what kind of terms and loan programs you can expect to be most beneficial for you.

• How much am I comfortable spending on a monthly basis?
• Do I have enough money for a down payment?
• How long do I see myself living in the new home?
• What type of loan best suits my needs?

By having a brief conversation, we will give you a good idea of how much home you can actually afford and what to expect from the loan process.
## Loan Product Comparison

<table>
<thead>
<tr>
<th>Description</th>
<th>Conventional Fixed Rate</th>
<th>Conventional Adjustable Rate Mortgage (ARM)</th>
<th>100% Financing Solution (No-Money-Down)</th>
<th>FHA/VA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>A mortgage with an interest rate that remains constant over the entire life of the loan. Generally requires a down payment of at least 5% to 5% of the purchase price and will likely require private mortgage insurance (PMI) if down payment is less than 20%.</td>
<td>A mortgage with an interest rate that is fixed for a specified period of time (3 - 10 years) and then adjusts to the current market rate for the remainder of the loan. Usually requires a down payment of at least 10% and will likely require PMI if down payment is less than 20%.</td>
<td>A special Congressional Federal solution that allows borrowers with strong credit but lack savings for a substantial down payment to experience the benefits of home ownership sooner. Structured as a combination of a first mortgage and a home equity loan/line of credit. No PMI required.</td>
<td>Loan programs that are backed by government insurance. FHA and VA offer solutions to those who may not qualify for conventional options but carry a large insurance premium.</td>
</tr>
<tr>
<td>Best For</td>
<td>Borrowers who plan to stay in the home for a long time (at least 10 years); Borrowers who want the comfort of knowing their rate will never adjust</td>
<td>Borrowers who intend to live in the home for a shorter period of time (less than 10 years); Borrowers who are comfortable with risk and want to minimize their rate</td>
<td>First time home buyers who have a job and good credit but do not have the funds for a down payment</td>
<td>First time home buyers who may have less than perfect credit; Veterans</td>
</tr>
<tr>
<td>Advantages</td>
<td>Stability; Peace of mind</td>
<td>Generally carries lower rate since rate is only fixed for set number of years; Allows borrower to pay only for rate security needed based on their plans</td>
<td>Allows borrowers to buy a home now instead of waiting to amass enough funds for a down payment</td>
<td>More forgiving of small credit “dings” than conventional programs; Low down payment requirement (0% to 3.5%)</td>
</tr>
<tr>
<td>Drawbacks</td>
<td>Usually carries a higher rate since you are paying extra for rate security. Most people don’t stay in the same home or loan (without refinancing) for the entire 30 years meaning they are paying for rate security they will never need.</td>
<td>Once the fixed period expires, the interest rate could adjust upward if market rates are high</td>
<td>Not available with 30 year fixed rate mortgages; No down payment means borrower will have minimal equity if they need to sell the property unexpectedly in the first 1 - 2 years</td>
<td>Requires substantial upfront premium at closing (1.5% to 2%) in addition to monthly insurance premiums; Fewer product options than conventional; Turn times can be slower</td>
</tr>
</tbody>
</table>

Visit a branch or [www.congressionalfcu.org](http://www.congressionalfcu.org) to get started today!
Step 2: Qualifying for a Mortgage

What factors go into determining my mortgage?

We ask a lot of questions because we want to help you get the right loan. By working with us before deciding on a property, you will know whether you will qualify for a mortgage large enough to finance your dream home. We’ll be able to answer all of your questions upfront, including:

- What is my credit score?
- How does my credit score affect my mortgage options?

### Credit Score Range

<table>
<thead>
<tr>
<th>POOR</th>
<th>BELOW AVERAGE</th>
<th>AVERAGE</th>
<th>GOOD</th>
<th>EXCELLENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>300 - 599</td>
<td>600 - 649</td>
<td>650 - 699</td>
<td>700 - 749</td>
<td>750 - 850</td>
</tr>
</tbody>
</table>

What else does my credit score affect?

- Down Payment Requirement
- Interest Rate
- Private Mortgage Insurance (PMI)
- Type of Loan

VISIT A BRANCH OR WWW.CONGRESSIONALFCU.ORG TO GET STARTED TODAY!
Step 2: Qualifying for a Mortgage

What factors go into determining my mortgage?

To determine if you qualify for a loan, we will consider:

- Your credit history
- Your monthly pre-tax income
- Your monthly expenses
- How much cash you have accumulated for a down payment

So how much house can you afford? To know that, you need to understand a simple concept called debt-to-income (DTI) ratio.

By dividing all of your monthly debts/liabilities by your gross monthly income, we come up with a percentage. This figure is known as your DTI, and must fall under a certain percentage in order to qualify for a mortgage.

\[
\text{DTI} = \frac{\text{Monthly Debt Payments}}{\text{Gross Monthly Income}}
\]
Step 3: Getting Pre-Approved

Find out your exact price range.

Once you have supplied all the required information about your employment, assets, current residence history and other pertinent items, we will ask for your permission to obtain your credit report.

Once all this information is reviewed, we are able to determine the amount you can borrow and provide you with a pre-approval letter. **NOT ALL PRE-APPROVAL LETTERS ARE EQUAL!** Depending on your timeframe, a lender can provide you with a range of options, from a quick pre-qualification letter (based on the application information), to a fully underwritten pre-approval letter.

Documents that may be required for a fully underwritten pre-approval:

- W-2s for 2 years
- 2 years of tax returns
- Bank statements for the last 2 months (all accounts) with an explanation for any large deposits
- Most recent year to date pay stub reflecting a minimum of 30 days of income
- If self-employed, year to date profit and loss statement, plus signed tax returns for last 2 years
- Additional documents may be required depending on your situation

**Remember, when the seller knows you are pre-approved, it gives you real negotiating power. See if you qualify!**
Homebuying Do’s and Dont’s

Avoid glitches and surprises in the loan process by following these general guidelines

**DO:**
- Keep concise records of all large deposits and transfers from your bank or credit union accounts
- Continue to make your rent payment on time
- Stay current on all your credit cards and car payments
- Avoid job changes
- Make sure your down-payment funds (if any) have been liquidated at least 7 days prior to settlement
- Call your Mortgage Loan Consultant before making any changes to your finances

**DON’T:**
- Take out a new loan or make any major purchases (car, furniture, timeshare etc.)
- Apply for new credit (even if you are “pre-approved!”)
- Open, close or consolidate any credit cards
- Transfer or increase your credit card balances
- Pay off any collections (without consulting your Mortgage Loan Consultant)
- Change banks
## Mortgage Lingo

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amortization</strong></td>
<td>The gradual reduction of debt over the term of the loan. It occurs through the repayment of principal.</td>
</tr>
<tr>
<td><strong>Annual Percentage Rate (APR)</strong></td>
<td>The yearly cost of a mortgage including interest and other fees, expressed as an annual percentage of the loan amount.</td>
</tr>
<tr>
<td><strong>Appraisal</strong></td>
<td>A written estimate of a property’s current market value.</td>
</tr>
<tr>
<td><strong>Closing Costs</strong></td>
<td>All costs required to settle on the purchase of a property including items like title insurance, appraisal fees, processing, underwriting and surveying fees.</td>
</tr>
<tr>
<td><strong>Credit Score</strong></td>
<td>A credit score is a number that is used to predict how likely you are to pay back a loan on time.</td>
</tr>
<tr>
<td><strong>Deed</strong></td>
<td>The legal document that transfers property from one owner to another.</td>
</tr>
<tr>
<td><strong>Down Payment</strong></td>
<td>The amount of your home’s purchase price you pay up front (and don’t borrow).</td>
</tr>
<tr>
<td><strong>Earnest Money</strong></td>
<td>A deposit made by a buyer toward the down payment to show good faith when the purchase agreement is signed. This money may be forfeited if the buyer backs out of the contract.</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>The monetary difference between your loan amount and the actual market value of your home.</td>
</tr>
<tr>
<td><strong>Good Faith Estimate</strong></td>
<td>A written estimate of the closing costs the borrower will likely have to pay to obtain the loan.</td>
</tr>
<tr>
<td><strong>Loan to Value (LTV)</strong></td>
<td>The percentage of the home’s market value that is borrowed.</td>
</tr>
<tr>
<td><strong>Private Mortgage Insurance (PMI)</strong></td>
<td>Insurance to protect the lender in case the borrower defaults on the loan. Generally required when the LTV is greater than 80%.</td>
</tr>
<tr>
<td><strong>Sales Contract</strong></td>
<td>Signed by buyer and seller stating the terms and conditions under which a property will be sold.</td>
</tr>
<tr>
<td><strong>Settlement Attorney</strong></td>
<td>Conducts the settlement at the end of the home buying process. Also responsible for the legal aspects of the transaction, such as title search and deed recording.</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>The number of years you have to pay back the loan.</td>
</tr>
<tr>
<td><strong>Title</strong></td>
<td>The official document that shows ownership of a property</td>
</tr>
<tr>
<td><strong>Title Insurance</strong></td>
<td>Insurance policy that protects the lender and homeowner from past or future claims that may erode clear ownership of the property.</td>
</tr>
<tr>
<td><strong>Underwriting</strong></td>
<td>The process of determining the risks involved in a particular loan and establish suitable terms and conditions for the loan.</td>
</tr>
</tbody>
</table>

**VISIT A BRANCH OR WWW.CONGRESSIONALFCU.ORG TO GET STARTED TODAY!**
Welcome to Congressional Federal
HomeAdvantage™

an exclusive, free member service that can help you search, buy, sell and save on your next home.

START YOUR SEARCH
Simple, single-point access to information you can trust, including full MLS listing search, recent sales data, demographics, schools, crime statistics and more...

CONNECT WITH AN EXPERIENCED REALTOR®
When you’re ready, we can connect you to an experienced agent in our network of hand-picked Realtors.

EARN A CASH REBATE
When you use one of the Realtors in our network, you can earn a rebate—an average member earns $1,450 in savings!

GET SUPPORT WHEN YOU NEED IT
CU Realty’s member service advisors are available seven days-a-week for help and guidance!

Register today and receive a free guide to finding and financing the home of your dreams.

ESTIMATE YOUR REBATE
Whether you’re buying or selling a home, you can earn a rebate when you work with any Realtor in our HomeAdvantage™ program! The rebate is equal to 20% of your agent’s commission.

Congressional Federal Credit Union will allow you to use the rebate to reduce your closing costs.

<table>
<thead>
<tr>
<th>HOME SALE PRICE</th>
<th>MEMBER REBATE</th>
</tr>
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<tbody>
<tr>
<td>$300,000</td>
<td>$1,800</td>
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<tr>
<td>$400,000</td>
<td>$2,400</td>
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<tr>
<td>$500,000</td>
<td>$3,000</td>
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<tr>
<td>$600,000</td>
<td>$3,600</td>
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<tr>
<td>$700,000</td>
<td>$4,200</td>
</tr>
<tr>
<td>$800,000</td>
<td>$4,800</td>
</tr>
</tbody>
</table>

*Program Disclaimer: The HomeAdvantage™ program, along with its features and benefits, is available to you through a joint relationship between your credit union and CU Realty Services. In order to earn a rebate, buyers and sellers must use one of the real estate agents listed in the approved agent network. Rebate amounts will vary depending on the price of the house sold or purchased, and the commissions paid out to the agent. Rebates are available in most states. Please consult with your credit union to get details that may affect you.

VISIT A BRANCH OR WWW.CONGRESSIONALFCU.ORG TO GET STARTED TODAY!
Searching for your 1st home is a breeze with Congressional Federal

Congressional Federal specializes in helping you manage the uncertainties of purchasing your first home. We pave your foundation for homeownership with innovative financial solutions and an expert team of Mortgage Loan Consultants ready to direct you down the right path.

HOMEAdvantage™
Powered by CU Realty Services
Your one-stop shop to search for a home, connect with a trusted Realtor® and earn a rebate in the process!

Low Closing Costs
We only charge a one-time flat fee as our processing charge. We don’t charge a percentage of your loan amount.

FREE Expert Advice
Our Mortgage Consultants are standing by to provide you with trusted unbiased guidance.

“No Money Down” Solutions
Easy as 1-2-3. We have innovative solutions to accelerate your path to homeownership.

Home Buying Education Center
Still need more information? Look no further and visit www.CongressionalFCU.org/HomeBuying-Education-Center. Leverage the online resources to make informed decisions.

Congressional Federal specializes in helping you manage the uncertainties of purchasing your first home. We pave your foundation for homeownership with innovative financial solutions and an expert team of Mortgage Loan Consultants ready to direct you down the right path.

CONTACT A MORTGAGE CONSULTANT FOR A FREE EVALUATION AND LEARN HOW WE CAN HELP AT 800.491.2328 OR VISIT WWW.CongressionalFCU.ORG/MORTGAGE TO GET STARTED TODAY!

*For more information please contact us. This is not a firm offer of credit. Mortgage lending products and discounts are subject to credit approval. Promotional offer is subject to change or termination without prior notice. Discount is $500 to be applied toward closing costs. Discount applicable on both purchase and refinance loans. Additional restrictions may apply.
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 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® 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® 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.
WHY USE A REALTOR®?

Your REALTOR® provides due diligence during the evaluation of the property. Depending on the area and property, this could include inspections for termites, dry rot, asbestos, faulty structure, roof condition, septic tank and well tests, just to name a few. Your REALTOR® can assist you in finding qualified responsible professionals to do most of these investigations and provide you with written reports.

When selling your home, your REALTOR® can give you up-to-date information on what is happening in the marketplace and the price, financing, terms and condition of competing properties. These are key factors in getting your property sold at the best price, quickly and with minimum hassle.

Your REALTOR® markets your property to other real estate agents and the public. Often, your REALTOR® can recommend repairs or cosmetic work that will significantly enhance the salability of your property. In many markets across the country, over 50% of real estate sales are cooperative sales; that is, a real estate agent other than yours brings in the buyer. Your REALTOR® acts as the marketing coordinator, disbursing information about your property to other real estate agents through a Multiple Listing Service or other cooperative marketing networks, open houses for agents, etc. The REALTOR® Code of Ethics requires REALTORS® to utilize these cooperative relationships when they benefit their clients.

Your REALTOR® will know when, where and how to advertise your property. There is a misconception that advertising sells real estate. The NATIONAL ASSOCIATION OF REALTORS® studies show that 82% of real estate sales are the result of agent contacts through previous clients, referrals, friends, family and personal contacts. When a property is marketed with the help of your REALTOR®, you do not have to allow strangers into your home. Your REALTOR® will generally prescreen and accompany qualified prospects through your property.

Your REALTOR® can guide you through the closing process and make sure everything flows together smoothly.

Your REALTOR® can help you objectively evaluate every buyer’s proposal without compromising your marketing position. This initial agreement is only the beginning of a process of appraisals, inspections and financing - a lot of possible pitfalls. Your REALTOR® can help you write a legally binding, win-win agreement that will be more likely to make it through the process.

Your REALTOR® can assist you in the selection process by providing objective information about each property. Agents who are REALTORS® have access to a variety of informational resources. REALTORS® can provide local community information on utilities, zoning, schools, etc. There are two things you’ll want to know. First, will the property provide the environment I want for a home or investment? Second, will the property have resale value when I am ready to sell?
When Buying a Home in Washington D.C.

The Buyer Chooses Two Wants or "Pie Pieces" - The Market Dictates the 3rd
### ESTIMATED CLOSING COSTS
for Home Purchase in DC Metro Area

<table>
<thead>
<tr>
<th>Loan Fees</th>
<th>$300,000 Sales Price</th>
<th>$500,000 Sales Price</th>
<th>$750,000 Sales Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lender Origination Fee</td>
<td>DC $995 MD* $995 VA $995</td>
<td>DC $995 MD* $995 VA $995</td>
<td>DC $995 MD* $995 VA $995</td>
</tr>
<tr>
<td>Appraisal Fee</td>
<td>DC $400 MD* $400 VA $400</td>
<td>DC $400 MD* $400 VA $400</td>
<td>DC $400 MD* $400 VA $400</td>
</tr>
<tr>
<td>Credit and Risk Reports</td>
<td>DC $50 MD* $50 VA $50</td>
<td>DC $50 MD* $50 VA $50</td>
<td>DC $50 MD* $50 VA $50</td>
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<tr>
<td>Flood Certification</td>
<td>DC $12 MD* $12 VA $12</td>
<td>DC $12 MD* $12 VA $12</td>
<td>DC $12 MD* $12 VA $12</td>
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<tr>
<td>Tax Service Fee</td>
<td>DC $85 MD* $85 VA $85</td>
<td>DC $85 MD* $85 VA $85</td>
<td>DC $85 MD* $85 VA $85</td>
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### PREPAID ITEMS

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<tr>
<th>Prepaid Items</th>
<th>$300,000 Sales Price</th>
<th>$500,000 Sales Price</th>
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</thead>
<tbody>
<tr>
<td>Initial Per Diem Interest</td>
<td>DC $850 MD* $850 VA $850</td>
<td>DC $1,500 MD* $1,500 VA $1,500</td>
<td>DC $2,200 MD* $2,200 VA $2,200</td>
</tr>
<tr>
<td>Escrow Account Establishment</td>
<td>DC $1,500 MD* $1,500 VA $1,500</td>
<td>DC $1,800 MD* $1,800 VA $1,800</td>
<td>DC $2,000 MD* $2,000 VA $2,000</td>
</tr>
<tr>
<td>Homeowner’s Insurance Premium</td>
<td>DC $900 MD* $900 VA $900</td>
<td>DC $1,100 MD* $1,100 VA $1,100</td>
<td>DC $1,500 MD* $1,500 VA $1,500</td>
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</tbody>
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### TITLE AND SETTLEMENT FEES

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<thead>
<tr>
<th>Settlement Fee</th>
<th>$300,000 Sales Price</th>
<th>$500,000 Sales Price</th>
<th>$750,000 Sales Price</th>
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<tbody>
<tr>
<td>Settlement Fee</td>
<td>DC $600 MD* $600 VA $600</td>
<td>DC $600 MD* $600 VA $600</td>
<td>DC $600 MD* $600 VA $600</td>
</tr>
<tr>
<td>Title Insurance</td>
<td>DC $1,780 MD* $1,210 VA $1,310</td>
<td>DC $2,800 MD* $1,900 VA $2,050</td>
<td>DC $3,925 MD* $2,600 VA $2,900</td>
</tr>
<tr>
<td>Survey</td>
<td>DC $300 MD* $300 VA $300</td>
<td>DC $300 MD* $300 VA $300</td>
<td>DC $300 MD* $300 VA $300</td>
</tr>
<tr>
<td>Purchase Taxes</td>
<td>DC $3,300 MD* $2,363 VA $1,867</td>
<td>DC $7,250 MD* $4,052 VA $3,000</td>
<td>DC $10,875 MD* $6,553 VA $4,500</td>
</tr>
<tr>
<td>Recording Costs</td>
<td>DC $188 MD* $120 VA $99</td>
<td>DC $188 MD* $120 VA $99</td>
<td>DC $188 MD* $120 VA $99</td>
</tr>
</tbody>
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### TOTAL CLOSING COSTS

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<thead>
<tr>
<th>Total Closing Costs</th>
<th>$300,000 Sales Price</th>
<th>$500,000 Sales Price</th>
<th>$750,000 Sales Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Closing Costs</td>
<td>DC $10,960 MD* $9,385 VA $8,968</td>
<td>DC $17,080 MD* $12,914 VA $11,991</td>
<td>DC $23,130 MD* $17,415 VA $15,641</td>
</tr>
</tbody>
</table>

*Montgomery County, first time homebuyer Fees are illustrative and subject to change. Fees will depend on selection of lender and title company.
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
   - 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.
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.
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.
### Seminar Evaluation

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Are you currently a Congressional Federal member?  ○ Yes  ○ No

Would you like to see more seminars offered?  ○ Yes  ○ No

The content of the seminar was:  ○ Too Introductory  ○ Just Right  ○ Too Advanced

How did you hear about the seminar?  ○ Email  ○ Social Media  ○ CFCU Website  ○ Newspaper

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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What is the best way to reach you?

○ Day Phone:  ○ Evening Phone:  ○ Email:

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.