

BANK OF CAPE COD

Financing your mortgage: What to expect

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Shopping for a mortgage doesn't need to be confusing. Recent regulatory changes are providing buyers with more clarity about terms and conditions of a home loan.

Good Faith Estimates

Early estimates on settlement costs, commonly called the "Good Faith Estimate" (GFE), will summarize what you can expect to pay in closing costs when purchasing a home or refinancing an existing mortgage. In addition, recent industry changes have standardized the GFE, making it easier than ever before for applicants to compare these settlement costs.

Early Truth in Lending Disclosure

Mortgage applicants will also receive an "Early Truth-in-Lending Disclosure," which details the mortgage financing. This disclosure is provided within three business days of the application, and it identifies the principal loan amount, repayment terms, interest rate (fixed or variable), any prepayment penalties, etc.

It also requires lenders to comply with the following:

- Expand the early disclosure requirements to mortgage loans secured by any dwelling of a consumer
- Require that the early disclosure requirements also now cover refinancings and home equity loans
- Assure that a lender must wait until at least seven business days after delivery of the disclosures before consummating the mortgage loan
- Prohibit a lender from charging a consumer any fee, except to obtain a credit report, until after the early disclosures have been provided
- Inform a consumer that he or she is not required to complete the transaction because the consumer has received the early disclosures, or applied for a loan

By having this information, applicants will be better able to make informed decisions on their lending options, allowing them to enjoy their investment for years to come.

To learn more, please call The Bank of Cape Cod at 508.568.2300 or email at tscott@bankofcapecod.com. The Bank of Cape Cod has offices in downtown Hyannis and Osterville. You can contact the bank toll free 800.528.1955 or by email at customerservice@bankofcapecod.com