



At *CentralAlliance Credit Union*, we want YOU to completely understand your closing costs and loan terms before you choose YOUR lender. When you apply for a mortgage loan, the lender is required, by law, to provide you with a 'Good Faith Estimate (GFE)' within three business days. A GFE is a form that provides basic information about the terms of the loan you applied for and the estimated costs to obtain the loan, which will help you to compare different lenders. To assist you in making this decision, we have compiled a list of questions that you should ask of a potential lender. We want you to compare us to our competition. We are so confident that we can provide you with the best product at the lowest rate and at the lowest cost that you will come back to *CentralAlliance* for your mortgage financing needs.

### **What are the terms of my loan?** *(See 'Summary of Your Loan' on page 1 of your Good Faith Estimate)*

- What is my **Initial Loan Amount** for this loan?  
This amount should be the loan amount you requested. It should only include the total of your current loan plus any closing costs you wish to finance and any cash you may wish to receive for other purposes.
- What is my **Loan Term** for this loan?  
This is listed in years such as 5, 10, 15, 20, 25 or 30 years. At CentralAlliance, we have loan options for any term you desire, anywhere from 1 to 30 years. You will pick the term that is Right for YOU!
- What is my **Initial Interest Rate** for this loan?  
If you want a fixed rate for the entire term of your loan, then the next question on the Good Faith Estimate, '**Can Your Interest Rate Rise?**' MUST be answered NO. If the answer is YES, your interest rate is adjustable, NOT fixed.
- If you are looking for a **Fixed Rate Mortgage** with no pre-payment penalty, then all of the remaining questions in the 'Summary of Your Loan' section of the Good Faith Estimate MUST be answered NO.



## What are the closing costs for this loan?

- What is the **Origination Fee** for this loan? (*Page two, box A of the Good Faith Estimate*)  
Higher origination fees indicate higher total closing costs.
- What is the cost of the **Appraisal, Credit Report and Flood Certification** for this loan? Do I need an appraisal? (#3, *page two of the Good Faith Estimate*)  
Any lender should be able to quote you exact prices for these services, which you in turn can compare to other lenders. At CentralAlliance, if your loan amount for an in-house loan is 50% or less than the value of your home on your tax bill, no appraisal is required. In addition, we use local appraisers rather than out-of-state companies, which will also save you money. Likewise, there is no charge for a credit report with any in-house loan.
- What is the cost of **Title Services and Lender's Title Insurance** for this loan? (#4, *page two of the Good Faith Estimate*)  
Does the lender close the loan or do they close at a title company? Closing at a title company will increase your closing costs. At CentralAlliance, we close all of our loans in-house, which can SAVE YOU as much as \$250 in closing costs.
- What is the cost of **Government Recording Charges** for this loan? (#4, *page two of the Good Faith Estimate*)  
These fees should be the same for any two loans with the same terms.

The **Initial Deposit for Your Escrow Account** and **Daily Interest Charges** (*page 2, #9 & 10 of the Good Faith Estimate*) are considered prepaid items and are not closing costs. These items should be identical for any two loans with the same terms closing on the same day. Funds deposited in your escrow account allow you to have enough money to pay your property taxes and insurance when they are due. Daily interest is dependent on the day you close. We estimate a full month of interest, showing you the most prepaid interest you could pay so you are never surprised at closing, while some lenders will only include one day just to make their GFE look better than the competition.

**Owner's Title Insurance** and **Transfer Taxes** (*page 2, #5 & 8 of the Good Faith Estimate*) are only associated with a purchase and they are paid by the seller in Wisconsin, therefore they are not a buyer's cost (but are required by law to be listed on the GFE regardless of who pays them).