

# FAQS ABOUT YOUR CLOSING

**Congratulations! We're getting close to your scheduled closing date. You are almost there!**

This can be the most stressful time in the mortgage process. We find our clients frequently have questions about the nuts and bolts of closing on a mortgage as we come in for landing on the transaction. Below are some answers to Frequently Asked Questions we get that can help guide you through this final step. As always, give us a call with any questions you have.

## **WHO IS MY CLOSING AGENT/SETTLEMENT AGENT/ATTORNEY?**

At this point you should know who this person is, have been in contact with them, know their location, and have a time set for the closing. If you don't know who the closing agent is, please let us or your real estate agent know and we will put you in touch with them. If you have not set up a time, you should do so once we are within 5 days of closing.

## **WHERE DO I GO FOR MY CLOSING?**

You should call/email the closing agent/attorney for directions and the location.

## **HOW LONG WILL IT TAKE?**

Closings take anywhere between 30 minutes and 1 hour depending on the complexity, number of questions and the style of the settlement agent/attorney.

## **WHAT HAPPENS AT THE CLOSING AND HOW LONG DOES IT TAKE?**

You will sign the same forms that you signed at application in their final version plus some additional documents such as deed and note. Your attorney/settlement agent will go over all of these forms with you. If you are buying a home, you will leave with your keys!

## **WHAT IS AN INITIAL CLOSING DISCLOSURE (CD)?**

The Closing Disclosure replaced the HUD in October 2015. The CD was created to lay out all the costs related to your loan in an easier to read format. It categorizes and shows a breakdown of your monthly payment, settlement fees, and closing costs. We started this process using our scenario sheet, then we showed you several Loan Estimates (LEs) and now the final version of those numbers is a CD. These LEs and CDs are a big deal in the industry because they have strict regulations and are micromanaged.

## **SIGN INACCURATE? IS IT OK TO SIGN IT?**

It is 100% OK to sign the Initial CD. In fact, in order to close on time, this document has to be signed at least three days before closing. Often times your closing paralegal has not gotten a chance to review and finalize the Closing Disclosure before it is issued, but we issue it anyway to ensure you close on time.

## **WHY DO I NEED TO SIGN THE CLOSING DISCLOSURE 3 DAYS PRIOR AND WHY DO I NEED TO SHOW PROOF?**

It is now law that we must give you a CD at least 3 days prior to closing to give you adequate time to go over the CD and understand your numbers. We will need you to sign, date, and return the initial CD 3 days PRIOR to closing or closing WILL be delayed.

## **WHEN DO I GET THE FINAL DOLLAR AMOUNT NEEDED FOR CLOSING?**

We will call you in the week prior to closing and give you a final amount that is a close estimate. After you are clear to close, our closing department and the settlement agent/attorney will work together to finalize your figures. Once they are complete we will send you a final version of your CD. However, this sometimes happens the day prior to closing. Our scenario sheet can be used as an estimate, however, the CD will have your final dollar amount. The scenario may not be an exact figure, but is usually quite accurate.

## **WHEN DO I GET THE FINAL CHECK/ WIRE I NEED FOR THE CLOSING?**

We recommend you speak to the settlement agent/ attorney to verify that they take certified checks or if they require a wire transfer.

- If you are getting a certified check you can stop by your bank on the way to closing. This is the least stressful way to get the check and you will know the exact number at that point. It should only take about 15 minutes to get a certified check. This minimizes stress and saves you from making an extra trip. You can also use our estimate, get a check days prior and bring a personal check to make up any small difference.
- If you are sending a wire transfer you will need to do so the day prior or a few hours before closing. Wire transfers can take a few hours to be fully processed and you want to be sure the settlement agent/attorney has the funds prior to closing. Please consult your attorney as there is information your bank needs to wire the funds.

At this point, if you need to start moving money around to prepare for closing, feel free to do so. If you can't get the certified check the day of closing or you need to wire money prior, use the initial estimate we provided for a final number. It is usually close. If it is too high, the settlement agent will cut you a small check. If it is too low, the settlement agent accepts a small personal check for the difference.

## **WHAT DO I GENERALLY NEED TO BRING WITH ME TO THE CLOSING?**

You will need your driver's license and your certified/bank check.

## **WHO DO I MAKE THE CERTIFIED/BANK CHECK OUT TO?**

The check is payable to the attorney or settlement agent who is handling the closing. They will be able to provide you with the exact name to have the check made payable to. Usually just the name of the attorney/settlement agent as it's printed on the CD is acceptable.

## **WILL MY MORTGAGE CONSULTANT BE AT CLOSING?**

The Cowart Team attends some closings but it depends on schedule and availability. If we are not there, remember we are ALL available by phone with any questions that come up during the closing process.

## **WHO DO I CONTACT WITH QUESTIONS ABOUT THE CLOSING DISCLOSURE (CD)?**

Your best initial contact is our team. We can go over the Closing Disclosure with you in detail to help explain the form and various figures. If there are any questions we can't answer, we can bring in the person who can. CDs involve a lot of numbers and can be confusing, but the settlement agent or attorney will go over it with you line by line at the actual closing. If you have any questions before then, do not hesitate to call us!

## **DO YOU NEED ANYTHING AFTER CLOSING?**

It's possible but not typical. Sometimes, when the loan is sold to the company that will be servicing it, that service company may require additional items after they review the file. Our attention to detail in the underwriting process makes this rare. Someone from NFM Lending will call/email if anything else is needed.

## **IS IT COMMON FOR MORTGAGES TO BE SOLD/SERVICING TO BE TRANSFERRED?**

Yes, it's typical in the industry for mortgage companies and big banks to transfer servicing rights. The good news is that the monthly payment and loan terms won't change. The only thing that changes is who you make your payment to.

## **WHEN CAN I SIGN UP FOR AUTOMATIC PAYMENTS/DRAFT FOR THE MORTGAGE PAYMENT?**

Once your loan has found its home with the servicing company that will be the servicer, you can contact them for different automatic payment options such as bi-weekly payments. This can be done online or through a phone call. NFM Lending will email, as well as mail you a letter called "Notice of Transfer of Servicing" when the servicing is transferred. After that, you receive a "Welcome Letter" with all of the account information from the new servicer in the mail as well. You can then log on and set up auto payments. If the first payment is due before your loan has been transferred, you will need to write a check to NFM Lending. At closing, you received a "First Payment Letter" with the information of how/where to mail it. If you misplaced it in the midst of moving boxes, you can reach out to us for another copy.

## WHAT IF I MAKE A PAYMENT TO NFM LENDING AT THE SAME TIME THAT MY MORTGAGE IS SOLD TO A SERVICER?

This does sometimes happen but you don't need to worry about it. NFM Lending will forward any payment received to the servicer and there will be no late penalty.

## I JUST RECEIVED A TAX BILL IN THE MAIL. I THOUGHT THESE TAXES WERE PAID THROUGH MY CLOSING COSTS/ MONTHLY PAYMENT?

A quick refresher here... Your escrow is a savings account attached to your mortgage servicing that collects a portion of your payment to pay upcoming taxes and home insurance. A portion of the money you pay towards your mortgage each month goes into this escrow account to pay FUTURE tax/insurance bills. This happens automatically. The servicer will be contacting your locality (city/county) in the coming months to let them know that all tax bills should be sent to them. If you have received a bill, here's what you should do:

1. Call your new servicer and ask for the escrow department. Tell them about the bill you were sent and be sure they will be contacting the county/city.
2. Call the City/County. Give them the name/info of the servicer so they can send the bill where it needs to go.

Your settlement agent/attorney who conducted your closing can also be a source of info if you have additional questions.

This is for informational purposes only. All information contained herein is subject to change at any time. NFM Lending is not a Financial Advisor. You should consult with a Financial Advisor to determine what may be best for your individual needs. Make sure you understand the features associated with the loan program you choose, and that it meets your unique financial needs. Subject to Debt-to-Income and Underwriting requirements. This is not a credit decision or a commitment to lend. Eligibility is subject to completion of an application and verification of home ownership, occupancy, title, income, employment, credit, home value, collateral, and underwriting requirements. Not all programs are available in all areas. Offers may vary and are subject to change at any time without notice. MLO licensing information: VA MLO-673VA. NFM, Inc.'s NMLS #2893. NFM, Inc. d/b/a NFM Lending. NFM, Inc. is licensed in: Virginia Mortgage Lender and Broker, Licensed by the Virginia State Corporation Commission # MC-2357. ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)). For NFM, Inc.'s full agency and state licensing information, please visit [www.nfmlending.com/licensing](http://www.nfmlending.com/licensing). NFM, Inc. is not affiliated with, or an agent or division of, a governmental agency or a depository institution. Copyright © 2023



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