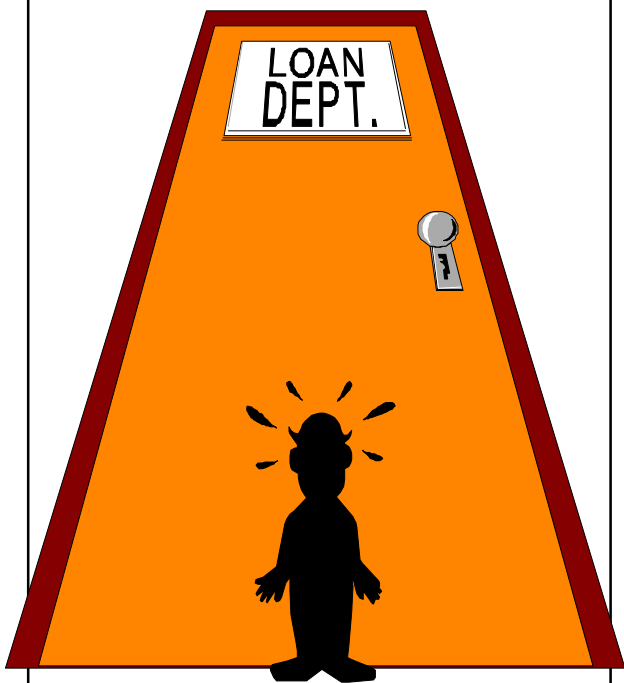


MORTGAGE

...So you
WANT TO GET A
MORTGAGE LOAN!



SOME TIPS FOR NEW JERSEY
CONSUMERS

Know What Your Loan Should Cost *Shop Around*

- The rates for loans vary significantly. It is important that you learn what lenders are offering.
- Rates advertised in newspapers are usually for “A-Paper” customers (customers with the best credit histories). If you have a very good credit history, you should be looking for a rate close to the advertised rates.
- If your credit history is not as good, your rate probably will be higher.
- In any event, you should shop around to determine whether the rate you are being offered is a competitive rate.

Know the Effects of Discount Points, the Type of Loan and the Loan Term

- Rates can vary based on the number of discount points you pay (the higher the points, generally the lower the rate). Therefore, sometimes paying more points makes sense. Be sure you know how many points you will pay and what the rate reduction will be.
- Rates can vary based on the type of loan, that is, whether it is fixed rate or variable rate. Usually variable rate loans are lower at the time the loan is made but they may fluctuate during the term of the loan whereas a fixed-rate loan does not fluctuate.

- Rates can vary based on the term of the loan, for example, whether the loan is for 10, 15, 20 or 30 years.

Do Not Rely On Verbal Representations

- Before you pay any up-front fees, you need to know, in writing, the amounts of the fees to be charged, whether they are refundable, and the conditions under which they may be refunded.
- Get all of the major terms of the loan (interest rate, points, closing costs, monthly payment amount and the term of the loan) in writing as soon as you begin seriously considering a loan product. Verbal representations can easily lead to misunderstandings—or worse.

Read Documents Carefully Before Signing *Be Cautious*

- Signing loan documents obligates you to make a substantial commitment of funds over many years.
- Ask questions if any provisions are not clear to you. Make sure you are satisfied with the explanations.
- If you are uneasy about any aspect of the transaction, do not proceed until your concern is resolved.

- Be attentive to the details.
- Do not sign documents if it contains blanks that have not been filled in.
- It is strongly recommended that you have your documents reviewed by your attorney or looked at by another knowledgeable person.
- Current state and federal laws provide you rights in connection with mortgage transactions. Be very cautious about waiving these rights unless you fully understand what is involved.

If There Is a Problem...

- Remember your three-day Right of Recission. The federal Real Estate Settlement Procedures Act provides that borrowers have a right to rescind a real estate contract within three days of closing. If the loan is rescinded, the lender must refund all fees collected.
- You may wish to file a complaint. Generally, mortgage lenders are required to be chartered or licensed in order to make residential mortgage loans. This places them under direct regulation and supervision by a government agency. For example, the New Jersey Department of Banking and Insurance regulates all licensed mortgage lenders in the State and state-chartered depository institutions. If you wish to file a complaint against an entity regulated by the Department, call (609) 984-2777.

WHERE TO FILE A COMPLAINT

Various types of financial services providers are regulated by different government agencies. To avoid delay in resolving your complaint, you should file it with the agency that regulates the financial services provider that gave rise to your complaint.

○ To file a complaint against a state-chartered bank, state-chartered savings bank, state-chartered savings and loan association, state-chartered credit union, or any licensed lender doing business in New Jersey, contact the NJ Department of Banking and Insurance at NJDOBI, Office of Consumer Finance, PO Box 040, 20 West State Street, Trenton, NJ 08625. (1-800-446-7467) You may download a complaint form from our web page at www.njdobi.org

○ To file a complaint against a federally-chartered bank, contact the Office of the Comptroller of the Currency (OCC) at Customer Assistance Group, 1301 McKinney Street, Suite 3710, Houston, TX 77010. (1-800-613-6743)

○ To file a complaint against a federally-chartered savings bank or federally-chartered savings and loan association, contact the Office of Thrift Supervision (OTS) at 10 Exchange Place, 18th Floor, Jersey City, NJ 07032. (1-800-253-2181)

○ The Federal Reserve Bank jointly regulates with NJDOBI state-chartered banks that are members of the Federal Reserve System. For State-chartered member banks in northern New Jersey, contact the Federal Reserve Bank of New York at 33 Liberty Street, NY, NY 10045 (212-720-5000). For state-chartered member banks in southern New Jersey, contact the Federal Reserve Bank of Philadelphia at 10 Independence Mall, Philadelphia, PA 19106-1574. (215-574-6116)

○ For institutions insured by the Federal Deposit Insurance Corporation (all state- and federally-chartered banks, savings banks, and savings and loan associations) contact the FDIC at 20 Exchange Place, NY, NY 10005. (800-334-9593). For institutions insured by the National Credit Union Administration (all state and federally-chartered credit unions) contact the NCUA at 1775 Duke Street, Alexandria, VA 22314. (703-518-6300)

○ To file a complaint involving a violation of the New Jersey Consumer Fraud Law, N.J.S.A. 56:8-1 et seq., contact the Division of Consumer Affairs within the NJ Department of Law and Public Safety, at Division of Consumer Affairs, 124 Halsey Street, Newark, NJ 07102. (800-242-5846)