

FIRSTCLOSING



Roslyn S. Lash, GRI

By Roslyn S. Lash, GRI

Q. I purchased my 1st house approximately 10 days ago, and my heating system is no longer working whom should I call?

A. If a HOW (homeowners warranty) was provided by the seller or you purchased one yourself, you may contact the warranty company directly. A HOW is a optional insurance which guarantees that the major components of the property is in the same working condition as on the day of closing.

HOW is for recently purchased

Q. I recently received notification in the mail that my bank will no longer service my loan, and that all questions, along with my monthly mortgage payments must be sent to an out-of-state lender. Why has this happened, and how does it affect my mortgage?

A. A local lender may originate the mortgage, or begin the loan process. It is not, however, uncommon for a different lender to acquire the loan after closing. Fannie Mae is the Federal National Mortgage Association and Freddie Mac is the Federal Home Loan Mortgage Corporation. They are the two primary investors in home loans. In order to stimulate the local economy Fannie Mae, and Freddie Mac buy and sell mortgages. This keeps the money flowing so that the local lenders can

Q. PMI has been included in my monthly mortgage. What exactly is PMI?

A. PMI stands for Primary Mortgage Insurance. It is a form of insurance designed to protect the lender should you default on your loan. When a buyer's puts less than 20% down on a property, the lender usually require insurance. Mortgage experts feel that buyers that contribute less than 20% down towards their home are higher candidates for foreclosure. Therefore you will pay monthly PMI premiums until you have approximately 20% equity in the property.

The duration of PMI may vary depending on the type of loan. Some FHA mortgages require that the insurance be paid for 10 years. Cancellation of your PMI may not be automatic. You should contact your lender once you have reached the 20% equity mark, or if you have had your property for 10 or more years. You may be required to obtain an appraisal as proof of your increased market value.

A word to the wise- if a lender states that PMI is not required by their institution. Compare rates! Their interest rate may be 0.5% higher, which will result in a much higher mortgage over the life of the loan.

Q. If I get the PMI do I still need a Homeowner's Policy?

A. Definitely! PMI is for the protection of lending institutions and their investors in case you should default on your loan. PMI does not protect the Buyer. A Homeowner's policy does protect the buyer/homeowner against disasters such as fire, theft, water, and weather related accidents. Unless you purchased yo

Roslyn Lash is a REALTOR with over 10 years of experience. Should you have any questions, please email her at FirstClosing@yahoo.com, or call 655.5701.

A Colorful History



Nelson Mandela

Former South African President Nelson Mandela, 87, and the Nelson Mandela Foundation, is reaching out to youth through a new comic book series aimed at encouraging literacy. Nine colorfully illustrated books will be created in the series, telling the story of the life of Mr. Mandela. The first book explains his royal upbringing in rural Transkei. The series is completed with his setting up of South Africa's first Black law firm and his leadership of the African National Congress. The first edition will be in English, and the foundation plans to translate it into all of South Africa's eleven official languages.



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