



**McGraw-Hill**  
Federal Credit Union

*Financial Solutions  
for a Lifetime*

120 Windsor Center Drive  
East Windsor, NJ 08520  
mcgrawhillfcu.org

p. 1.800.226.6428  
f. 609.490.0454  
info@mcgrawhillfcu.org

## NEWS RELEASE

Contact: Larry M. Weiner, APR  
lweiner@larrymweiner.com  
201-712-0019

For Immediate Release:

### MCGRAW-HILL FEDERAL CREDIT UNION OFFERS 10 TIPS FOR A SMOOTH AND EFFICIENT MORTGAGE CLOSING

(East Windsor, NJ – December 2, 2010) – Never was anything so shrouded in mystery as the mortgage closing process. Horror stories abound how a couple expected to bring a certain amount of money to their closing only to find they were hundreds, even thousands, short. In order to prevent a financial shortfall at the closing, the attorney's office will tell the homebuyer, "Just bring your checkbook." Home buyers go to the closing hoping they have enough money in your checking account to cover all the surprises that await.

McGraw-Hill Federal Credit Union offers these 10 tips to help make your closing both smoother and less of a shock on your financial system.

- 1) Ask the lender for a Good Faith Estimate of all closing costs and fees.
- 2) Identify which fees are the lenders and which are contracted for or sourced from another vendor.
- 3) Understand the different types of fees and which ones you can control:

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*10 Tips For A Smoother Closing*

- **Loan or Lenders fees:** These fees are charged by the lender for services they perform for you. Most are paid by the borrower, in purchase transactions certain fees may be paid by the seller. Common lender fees include 'points', application fees and underwriting fees.
  - **Title fees:** Title search, title insurance premiums and related fees are usually payable to a third party title company. Although the bank can give you a quote, many lenders have title affiliates you can shop around for the best service. You can even shop for your own title company.
  - **Prepaid Fees:** Lenders will usually require initial Hazard Insurance Premium and the expense of odd days Interest paid at closing.
  - **Impound/Escrow accounts:** These are deposits to establish escrow accounts to pay taxes and insurance that the lender will include in your Mortgage Payment. Since taxes and insurance come due a few times a year it is necessary to build a few months cushion into the escrow account. In refinance transactions the lender being paid off will refund the existing balance in the escrow account a few weeks after closing (rather than deducting it from the payoff amount).
4. Try to schedule a pre closing review for all documents and fees prior to closing. This avoids the rush at closing and the misunderstandings that may arise. It will allow you to review all documents and come up with any questions you may have in advance.
  5. Confirm if you are expected to bring funds to closing, and if certified funds will be required by law.
  6. Try to close between the 15-20th of the month. This will help minimize prepaid interest (paid through the end of the month) but allows the lender as well as all parties involved more time before the end of the month rush when errors can occur.

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7. Schedule a closing for the time of day or night when you're not rushed and have time to ask questions and review the documents being signed. It's important to think clearly and ask questions during the closing. Your lender should be accommodating with time and location options for your closing.
8. When refinancing, be sure to review your payoff letter for any mortgages for the last payment date and any escrows that your existing lender is holding for you.
9. Confirm with the settlement or closing agent when and how your loan will fund and what to expect. Discuss how any proceeds will be distributed. Do not let a large check get misdirected.
10. When refinancing, never try to avoid or time your last mortgage payment down to the wire. This can cause late payments, resulting in significant penalties and even negative ratings on your credit report.

One caveat issued by myClosingSPACE.com is to be aware that all title insurance premiums are government regulated. They should be the same regardless of which title company you choose. It is the hidden fees and markups for services that can vary widely between companies. Look for a title company that charges a low, flat fee for its services.

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McGraw-Hill Federal Credit Union is a not-for-profit, member owned, financial institution. It began serving the employees of McGraw-Hill in 1935, one year after the Federal Credit Union Act's creation. Today, McGraw-Hill Federal Credit Union serves the employees of over 100 companies, including Siemens, Williams-Sonoma, Radio City Music Hall, Emblem Health, Bowne Gensler, Depository Trust C Corp., and the National Hockey League.

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