

## Refinance Questions

Refinancing borrowers frequently ask the following questions about escrow:

### **How can I receive the proceeds from my refinance?**

Answer: If you are receiving cash out from your refinance, you can choose to have the money wired to your bank account after signing instructions with a notary public. Alternatively, you can receive a check at the close of escrow.

### **When is my first payment due?**

Answer: The date of your first payment can be found on your note or first payment letter, which is included in your final loan documents. Alternatively, you can contact your lender.

Why do I have to sign both the lender's and escrow's authorization?

Answer: Banks and lien holders require authorization to come from the party who is ordering the payoff demand.

### **What are impounds?**

Answer: Impounds are funds held aside from each mortgage payment by your lender to pay for property taxes or homeowners insurance when they become due.

### **Why do I have to pay interest on both my existing and new loans at closing?**

Answer: Interest is paid in arrears, which means that it is always behind by one month on your mortgage payment. The prepaid interest on your new loan has to bridge the gap between the date we fund your new loan and your first month's payment, while we pay off your current loan and all the interest through the day your old lender receives the funds.

### **What are the estimated closing costs?**

Answer: Prior to the close of escrow, you will receive an estimated closing statement.

Throughout the escrow process, several estimated closing statements may be generated to finalize the loan approval. The final amount of funds to wire to escrow will be communicated by the escrow agent.



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