

MORTGAGE FAQs

Do I need to have 20% down?

No! It's a persistent misconception that you need 20% to buy a house. While having a larger down payment helps, there are many programs and mortgage types available today to make homeownership more affordable. Some programs require \$0 down payment!

How long does it take to buy a house?

The process varies by lender but typically takes anywhere from 30 to 60 days. The process can be held up by delays from outside agencies such as municipalities, issues with the title, delayed paperwork, inconsistent income information, and other factors. Your lender should communicate with you at least weekly on the status of your mortgage application.



How much money do I need to bring to closing?

Closing costs can vary widely depending on your credit, the residence type, the mortgage type, your down payment and other factors. Keep in mind that NY is on the higher end when it comes to closing costs. Expect to pay at least 2.45% of your purchase price.

Will my mortgage payment ever change?

Even if you have a fixed interest mortgage, your monthly payment can change. If you have an escrow account, which many homeowners do, your deposits into that account are rolled up with your mortgage payment. So as taxes and insurance premiums increase, your deposit must increase. This will in turn increase your mortgage payment.

What is escrow?

Escrow is an account held in your name by your lender. You make deposits into this account via your mortgage payment. Your lender then pays your property and school taxes as well as your homeowner's insurance from the funds you have in escrow.

What's PMI?

PMI is private mortgage insurance and is required if you have a conventional mortgage and are putting less than 20% down. Your PMI can be added to your mortgage payment or paid upfront at the closing.

Are there different kinds of mortgages?

Yes! People are often aware of the traditional fixed-rate mortgage and adjustable-rate mortgages (ARMs). But there are other variations and programs. Including the State of New York Mortgage Agency (SONYMA) programs and Federal Housing Administration (FHA) loans. Not all mortgages are suitable for all property types, which is one reason it's important to shop for the best mortgage lender.

Why do I need to shop for lenders?

Even if your current bank pre-approves you, you should shop for lenders. Lenders can vary on fees and mortgage types. You may also qualify for a better rate at a different lender. This is likely the biggest purchase you'll ever make – it's worth it to make sure you get the best mortgage possible.

What's the difference between a mortgage from a bigger bank and one from a local bank or credit union?

The biggest advantage with local lenders is their availability. A mortgage through a national bank may be processed and underwritten by people in different parts of the country. This can make communication difficult and delayed. It's easier to establish a relationship with a local lender, and many realtors already have a network of local lenders they work with.