



Your Mortgage PLANNER

with Jamie H. Harrington, President

WHAT'S IN YOUR MORTGAGE PAYMENT

Most people know their monthly mortgage payments include two parts: one portion is assigned to repay the principal of the loan and a second portion that repays the interest.

For most homeowners there is also a third part of the mortgage payment that is paid into a special escrow account that the lender maintains on your behalf to pay for your homeowners' property taxes and hazard insurance. These elements of your mortgage payment are called PITI (Principal-Interest-Taxes-Insurance).

Lenders are currently permitted by law to collect a minimum of two months of estimated annual real estate taxes and insurance payments at the closing. Thereafter, your monthly payment will include one-twelfth of the annual total for taxes, insurance, and other anticipated charges (lenders may collect an additional amount to ensure that a two-month cushion is maintained in the account). The lender then pays the tax and insurance bills for you.

If you would like to discuss what type of mortgage loan will work best for you, call Jamie Harrington at 828-632-0650 for an appointment. United Carolina Group, Inc., is located at 340 NC Highway 16 South, Taylorsville NC 28681.

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