

RATE LOCK

Great news! It is still an opportune time to finance your home loan through The Police Credit Union. Whether purchasing a new home or refinancing your current mortgage, here are some great tips for locking in your low rate.

Q: What is a rate lock?

A: Mortgage rates are constantly changing. Locking your interest rate during application allows you to be protected from rising interest rates during the application process. Rates are typically locked for 45 days.

Q: When am I eligible to lock my interest rate?

A: Ultimately, it is your decision when to lock your rate. Your loan officer is your partner during this transaction, and can help guide you to make the best decision. We require your complete application and requested documentation (pay stubs, W-2, account statements, etc.), then your loan officer will visit with you about the best loan program to suit your needs and the best time to lock your rate.

Q: What happens when my rate lock expires and my loan is not yet closed?

A: We have flexibility to offer 15-day rate lock extensions. Based upon market movement, a fee may be assessed for this service.

Q: Can I buy my rate down?

A: Yes, we offer rate buy-downs. For instance, if the offered note rate is 4.0% you may have the option to pay a 0.5% Discount Point to secure a 3.75% note rate. Your loan officer will be happy to detail buy-down options, often referred to as "points".

Q: Can my rate change after it has been locked?

A: Depending on loan parameters and terms, yes. If loan factors change significantly from the locked terms, your rate could fluctuate. Examples include changing the loan product, receiving an appraisal with a substantially higher/lower value than originally disclosed, and changing your mind about the loan amount, to name a few.