

## **FHA and VA Streamline Refinance...AND SKIP THE NEXT PAYMENT!**

**The purpose of the “streamline” is to lower the rate on your present mortgage balance. This rate reduction lowers your monthly payment and does not raise the remaining balance of the present loan amount because the closing costs are paid by Liberty State Finance LLC.**

The "**streamline**" part refers to the amount of documentation you provide and the short period of time the underwriting department needs to prepare your new loan.

The basic requirements of a streamline refinance are:

1. The mortgage to be refinanced must already be FHA insured,
2. The mortgage to be refinanced should be current (not delinquent);
3. The refinance is to result in a lowering of the borrower's monthly principal and interest payments;
4. No cash may be taken out on mortgages refinanced using the streamline refinance process.

Liberty State Finance LLC **does not** charge any application fees or points through this program.

**In addition, we can pay your closing costs.**

**We pay ALL closing costs which include the closing agent, title insurance invoices and fees to the Lender**

**Closing Costs charges are not added to your mortgage balance.**

**The application does not require an income check, appraisal or survey.**

Therefore, you have a "Streamline" loan.

Liberty State Finance LLC is approved by the US Department of Housing and Urban Development to process streamline applications.

**Take advantage of this program while rates are down.**

## Frequently Asked IMPORTANT Questions about Streamline Refinances

### *"What happens at the closing"?*

1. **Liberty State pays the closing costs which include the closing agent, title insurance invoices and fees to the Lender. All fees will match your Good faith Estimate. With regards to the money you will need at the closing please continue reading.**
2. Both Borrower and Co-Borrower need to bring in two (2) forms of I.D.
3. The Borrower and Co-Borrower **MAY** need to bring in two checks

**FIRST CHECK** - You must bring a **CERTIFIED** (payable to the Title Company) check to set-up the new Escrow Account which is approximately equal to 3 months of property taxes, 3 months of home owners insurance\*\*, several days of mortgage interest to the new Lender and 1 monthly PMI payment.

**PLEASE READ:** In some cases, the present bank does not net out the escrow account balance from the principal due in the pay off amount of the present loan, therefore you must provide a **30 day postdated check for this escrow refund payable to Liberty State Finance LLC** who makes the pay-off of the shortage at the time of closing. Upon receipt of the Escrow refund check from the previous Lender, you will notify Liberty State who will then deposit your postdated check.

*\*\*Your present home owner's policy must have at least 10 months remaining before the annual premium payment is due.*

### **SECOND CHECK** –

FHA requires you to bring a **CERTIFIED** check for 30 days of interest **ONLY** (**No Principal, No Taxes, No Home owners Insurance payments**) for the month you close in, because **you will not make the next month's** payment.

***Remember, the mortgage payment you made this month paid last month's interest! And this month's interest has to be paid, too!***

***"How can Liberty State, Streamline my FHA or VA Loan at NO COST TO ME"?*** By charging a slightly higher than market interest rate you may have all closing costs incurred by Liberty State while refinancing only the principal balance of your current loan. This allows you to not only lower your rate but lower your current principal and interest payment as well with no cost to you.

***"How does Liberty State make money on a Streamline Loan when there is no cost to me and nothing is added to my loan"?*** The money, normally our profit, is utilized toward closing costs and fees.

***"What is the Liberty State interest rate"?*** The interest rate varies on a daily basis depending on the Interest Rate Market. Due to the fact that we are a WHOLESAL LENDER, it allows us to be more competitive.

***"Why can't I just go through my current lender and streamline"?*** HUD guidelines call for an approved broker to do the true **"streamline no cost rate reduction program"**, which Liberty State is. You are not required to use Liberty State Finance LLC for refinancing your FHA loan. However, we feel that we have the expertise, experience and professional capabilities to provide superior services.

***"What should I expect from the government streamline refinance program"?***

1. Save 1 payment, by not writing a check for **(SKIP)** the next month after closing.
2. A lower interest rate or term (your choice)
3. No Application fee
4. No Appraisal fee
5. No points.
6. All closing costs are paid by Liberty State Finance LLC. They are **not** added back to the loan balance like a traditional refinance. You refinance the principal balance only.

***"How do I qualify for Streamline refinancing"?***

1. No 30 day late mortgage payments in the last twelve (12) months.
2. No open judgments or liens against the property, or the borrower.
3. Second mortgages or Home Equity Loans must be subordinated.
4. Cannot currently be in Bankruptcy. (Prior bankruptcy must be discharged).

***"What items will I need to complete a Streamline application"?***

1. Copy of Social Security Cards for all borrowers.
2. Note from current mortgage and Customer Service Number
3. HUD-1 Settlement Statement from previous closing.
4. Homeowners Insurance Declaration Pages
5. Title Insurance Policy schedules A & B
6. Survey and Deed of Trust
7. Buy Down Agreement & Schedule (if buy-down mortgage)

***"What happens after my Streamline application is received by Liberty State Finance LLC"?*** You will receive one (1) or two (2) Good Faith Estimates, one from First Jersey Mortgage and one from the Lender that is funding the new loan.

You can disregard fees on Lender Good Faith Estimate (except for a VA funding fee if a VA loan); these are for illustration purposes only. **Liberty State's Good Faith Estimate reflects all closing costs being paid by us.** In most Cases the **CUSTOMER DOES NOT PAY CLOSING COSTS.** (only VA funding fee if applicable)

"Cash from Borrower" reflects the total of your 30 days of mortgage interest from the first of the present month to the first of the next month, plus the estimated escrow amount needed to start your new account. The **escrow will be refunded to you** from your current bank within 30 days of closing **or credited at the closing** when you maintain the same Lender.

**FHA streamlines close anytime during the month. We can close your loan in less than 3 to 4 weeks of receiving your documents.** You will be contacted to set an exact closing date and time that is convenient. Remember, you are not paying any closing costs, and we are not adding anything to your loan amount. **In addition, you always have a 3 day right-of-rescission (cancellation).**