

MORTGAGE PURCHASE AND REFINANCE

Mortgage Purchase and Refinance



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PNC Language Resources

Please see [PNC.com/Language](https://www.pnc.com/Language) for additional information on Language Support available.

Mortgage Purchase and Refinance

PNC will help you along the home buying process, whether you're learning the basics, looking for a home or ready to purchase. Refinancing can be an opportunity to lower your monthly interest expenses or access cash for unexpected expenses.



Main Features

Important Information for customers who apply and are approved for a PNC Mortgage product:

- **Mortgage.** PNC will take a security interest (also called a “mortgage”) on your property. A mortgage is an agreement between you and PNC that allows you to borrow money to purchase or refinance a home. **It gives PNC the right to take your property if you fail to repay the money you have borrowed.**
- **Annual Percentage Rate (APR).** An annual percentage rate is a measure of the cost of borrowing money. The APR reflects the interest rate, any points, mortgage lender fees, and other charges that you pay at closing to get the loan. For that reason, your APR is usually higher than your interest rate. You will receive disclosures at the time of application and at the time of loan closing that will inform you of the APR and interest rate applicable to your loan.
- **Interest Rate.** An interest rate on a mortgage loan is the cost you will pay each year to borrow the money, expressed as a percentage rate. It does not reflect fees or any other charges you may have to pay for the loan.
- **Monthly Billing Statements.** You will receive a monthly billing statement with important information about your account. You should read each statement carefully. It will include your loan balance, the minimum payment due, the date the minimum payment is due and other important information about your account.
- **Monthly Payments.** You will be required to make monthly payments on your mortgage loan. The monthly payments will include portions for principal, interest, and escrow (if applicable) and will repay the amount of the mortgage loan over the term of the loan. You must make the required monthly payment by the payment due date on your billing statement, or you may be charged a late fee.
- **Points.** Points are fees you can pay to lower the interest rate on your home purchase or refinance, expressed as a percent of your loan amount. For example, if your mortgage loan amount is \$100,000, one point will cost you \$1,000. PNC may offer you the option to pay points on your mortgage loan.
- **Closing Costs.** Closing costs are costs that you will have to pay to PNC or third parties for services related to the mortgage loan. They include costs for credit reports and appraisals and other items. You may have to pay third parties directly, or PNC may pay them on your behalf and include them in the amount of your mortgage loan.
- **Fixed Rate.** PNC offers fixed-rate mortgages, which are a type of home loan for which the interest rate is set when you take out the loan and it will not change during the term of the loan.
- **Adjustable (Variable) Rate.** PNC offers adjustable-rate mortgages (ARMs) which are a type of loan for which the interest rate can change, usually in relation to an index interest rate. Your monthly payment will go up or down depending on the loan’s introductory period, rate caps, and the index interest rate. With an ARM, the interest rate and monthly payment may start out lower than for a fixed-rate mortgage, but both the interest rate and monthly payment can increase substantially.
- **Private Mortgage Insurance.** Private mortgage insurance protects the lender if you fall behind on your payments. Private mortgage insurance is typically required if your down payment is less than 20 percent of the property value. You may have to pay private mortgage insurance on your loan, depending on the loan type and the amount of your down payment.
- **Property and Flood Insurance.** PNC requires property insurance during the term of your mortgage loan. If your property is in a flood zone, PNC will require flood insurance during the term of your loan.

- **Escrow Account.** PNC may set up an escrow account for you, where part of your monthly loan payment is deposited to pay for costs associated with homeownership, including property taxes and property insurance. PNC will then pay those costs on your behalf from the amounts in the escrow account. If your loan does not have an escrow account, you will pay those amounts directly.
- PNC may report your payment activity to credit reporting agencies as required by law.

PNC Bank Mortgage Products

PNC offers a number of different types of mortgage loans, such as Purchases, Cash Out Refinances and Rate and Term Refinances. These loans can vary by term, interest rate, loan size, occupancy, as well as other factors. Be sure to review with a mortgage loan officer which type of loan product, some of which are listed below, may best suit your personal needs.

Conventional - A conventional loan is any mortgage loan that is not insured or guaranteed by the government.

FHA - Loans that are regulated and insured by the Federal Housing Administration (FHA). FHA loans differ from conventional loans because they allow for lower credit scores and lower down payments.

VA - A VA loan is a loan program offered by the Department of Veterans Affairs (VA) to help servicemembers, veterans, and eligible surviving spouses buy homes.

USDA (Rural Development) - The Rural Housing Service, part of the U.S. Department of Agriculture (USDA), offers mortgage programs with no down payment and generally favorable interest rates to rural homebuyers.

Affordable Lending Programs - These are programs available from PNC and/or other federal, state or local agencies for low to moderate income individuals who meet program specific eligibility criteria for benefits such as down payment assistance, grants and low-down payment programs.

How to Find a HUD-Approved Housing Counselor Who Is Fluent in Your Preferred Language

- You can find a list of HUD-approved Housing Counselors in your area at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>.
- Enter your ZIP code and select your preferred language from the dropdown menu.
- Or call HUD at 800-569-4287 for help in finding a counselor.

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