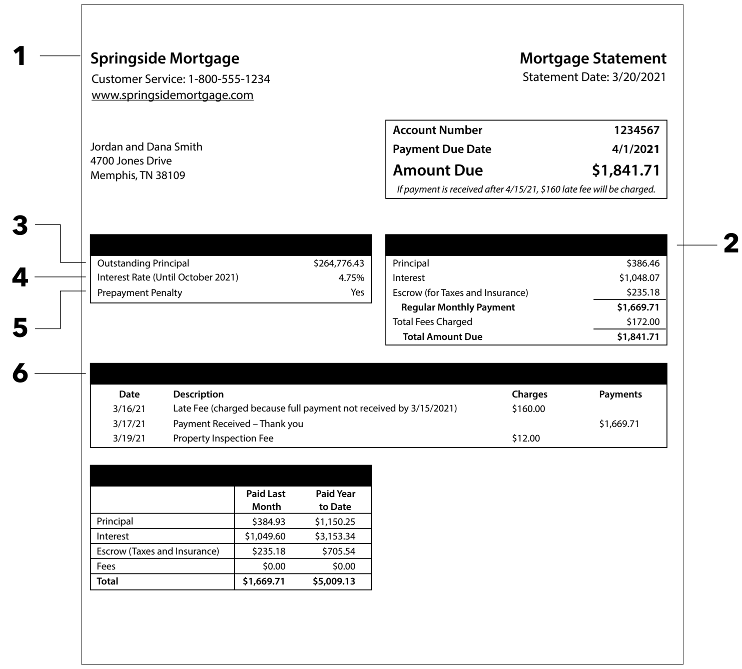
Checklist for making your monthly mortgage payment

With your new home comes a new responsibility—making your monthly mortgage payment. You can use this checklist with your monthly mortgage statement to help you stay in control of your mortgage, avoid surprises, and get help when you need it.



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Springside Mortgage
Customer Service: 1-800-555-1234
www.springsidemortgage.com

Mortgage Statement
Statement Date: 3/20/2021

Jordan and Dana Smith
4700 Jones Drive
Memphis, TN 38109

Account Number	**1234567**
Payment Due Date	**4/1/2021**
Amount Due	**$1,841.71**

If payment is received after 4/15/21, $160 late fee will be charged.

3
4
5

Outstanding Principal	$264,776.43
Interest Rate (Until October 2021)	4.75%
Prepayment Penalty	Yes

2

Principal	$386.46
Interest	$1,048.07
Escrow (for Taxes and Insurance)	$235.18
Regular Monthly Payment	**$1,669.71**
Total Fees Charged	$172.00
Total Amount Due	**$1,841.71**

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Date	Description	Charges	Payments
3/16/21	Late Fee (charged because full payment not received by 3/15/2021)	$160.00	
3/17/21	Payment Received – Thank you		$1,669.71
3/19/21	Property Inspection Fee	$12.00	

	Paid Last Month	Paid Year to Date
Principal	$384.93	$1,150.25
Interest	$1,049.60	$3,153.34
Escrow (Taxes and Insurance)	$235.18	$705.54
Fees	$0.00	$0.00
Total	**$1,669.71**	**$5,009.13**

What to do every month

☐ Know your mortgage servicer

This is the company that sends you your mortgage statement and manages the payments for your mortgage. It may be a different company than the one you borrowed from originally. If you have questions about your mortgage, your servicer is a good place to start. You can find your servicer's contact information on your monthly statement (**1**).

Pay attention to whether your servicer has changed so you can make sure you send your payment to the right place.

☐ Check out how much is due

The "Explanation of Amount Due" section (**2**) on your monthly statement shows you how your servicer applies your payments to your loan. "Principal" is the amount you originally borrowed. The part of your payment that goes to principal is the part that goes toward repaying your loan. "Interest" is the cost of borrowing the money. TIP: If you are able to pay more than the amount due, ask the servicer to apply the additional amount to principal. This approach can reduce the interest you pay over the life of your loan.

"Escrow" is the amount your servicer uses to pay your property taxes and homeowners insurance. Not all mortgages have an escrow account. If your mortgage loan does not have an escrow account, then you pay your property taxes and homeowner insurance directly.

Note: If you paid only part of the amount marked as due on your last statement, you might not see a decrease in principal or interest owed. Your mortgage doesn't work like a credit card. If you pay less than your full payment amount due, it might not be subtracted from what you owe. Instead, you could see a delinquency notice, with the money held separately until you make the rest of the payment.

☐ Check for errors

Check your statement for errors. Review your statement to see if you have any new fees and charges (**2**), and whether your payments were credited on time (**6**). If you see an error, call your loan servicer and ask them to correct the problem. If your servicer won't help you when you call, submit a written error notification for more protection. (You can find tips on how to dispute an error at consumerfinance.gov/askcfpb/1855.) Make sure you send the notice to the address your servicer uses for errors and information requests. This address should be listed on your statement or the servicer's website – it might be different from the address where you send your payments.

☐ Make your payment

Make your payment in full and on time. Make sure you send your payment with enough time before your due date to ensure it arrives on time. Consider setting up automatic payments with your mortgage servicer or through your bank or credit union. This can help you stay on track.

Don't stop there– plan ahead and be prepared

☐ Prepare for your rate reset

If you have an Adjustable Rate Mortgage (ARM), when your interest rate changes it is called a rate adjustment. If the mortgage has a term of more than one year, your mortgage servicer is required to send you an estimate of your new payment seven or eight months before your interest rate adjusts for the first time. If you have an ARM that has already had one interest rate adjustment, you will be notified two to three months in advance of the next adjustment. When you get this advance notice, you may have time to budget for your new payment or shop for a different mortgage.

☐ Figure out your equity

Equity is the amount your property is currently worth, minus the amount of any outstanding loans on your property. If your mortgage is your only loan, you can calculate your equity by finding your outstanding principal (**3**) then subtracting this amount from your home's current market value. Remember that your outstanding principal may be different from the amount you would need to pay off your mortgage. If you want to know your payoff amount, contact your servicer.

☐ Consider refinancing

Find your interest rate (**4**). Compare your rate to current interest rates. You can find local rates online or in the business section of your newspaper. If current rates are much lower than your rate, you might consider looking into refinancing. Refinancing is when you take out a new loan and pay off and replace your old loan. In many cases, you will have to pay closing costs and other fees for the new loan. *Before you refinance, check to see if you have a prepayment penalty (see next item).*

☐ See if you have a prepayment penalty

A prepayment penalty (**5**) is a fee charged by your lender or servicer when you pay off your mortgage early. If you have a prepayment penalty, you would have agreed to it when you closed on your mortgage loan. Check this before you pay off your mortgage completely by refinancing or selling your home, or another way. It might cost more than you realize.

Additional help

Don't delay if you run into trouble

If you're having trouble paying your mortgage and you've missed a mortgage payment, you will get a warning on your monthly statement that you're late on your payment. Your mortgage servicer is also generally required to reach out to you if you fall behind. But, you don't have to wait until you fall behind to act.

Take control

Call your servicer and let them know if you need help making your payments. You should also call a HUD-approved housing counselor. Visit consumerfinance.gov/find-a-housing-counselor to get a list of housing counseling agencies in your area that are approved by the U.S. Department of Housing and Urban Development (HUD). You can also call the HOPE™ Hotline, open 24 hours a day, seven days a week, at (888) 995-HOPE (4673).

About us

The Consumer Financial Protection Bureau regulates the offering and provision of consumer financial products and services under the federal consumer financial laws, and educates and empowers consumers to make better informed financial decisions.

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