

# Bryn Mawr College Mortgage Procedure

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Effective February 2017

Information about the Bryn Mawr College Mortgage Program is posted on the web page of the Treasurer's Office. The document lists the terms and conditions of the Program. Please read the document to become familiar with the eligibility requirements before you start a search for a home.

## **1. Agreement of Sale**

After negotiating a price on a house that meets the College's eligibility requirements, a deposit is placed on the house and the buyer and the seller sign an Agreement of Sale, the contract spelling out the specific terms and conditions of the sale.

- It should be contingent upon your ability to obtain a Bryn Mawr College mortgage.
- It should require the seller to pay for a termite inspection, removal of the infestation, if needed, and repair of any damage as necessary. You should get a written report at settlement indicating that the property is free of active termite infestation.
- It can also be contingent on a professional inspection of the house (at buyer's expense).

The Agreement of Sale should also specify in writing all agreements about items such as light fixtures, drapery rods, washers, dryers, refrigerators, etc., which are not permanently attached to the house.

## **2. Mortgage Application**

The application form is available from the webpage of the Treasurer's Office and should be completed and returned to that office with the Agreement of Sale.

Final approval of a mortgage is made by the Treasurer's Office and is based on information supplied by a third-party mortgage processor, including an appraisal of the property and a credit report.

The time between application and final approval can be up to three weeks. The processor then requests at least two additional weeks to prepare the mortgage and other documents necessary for settlement. The total time involved, therefore, between application and settlement is usually six weeks, and could be as many as eight weeks.

## **3. Approval of Mortgage**

After the mortgage is approved, you will receive a "loan commitment letter" from the College, stating the mortgage amount, interest rate and length of the loan. It will also advise what you will need to bring to settlement.

## **4. Disclosure Statement**

You should receive from your realtor a Disclosure Statement, giving closing costs and other costs that may be involved with the purchase, interest rates and payments.

## **5. Title Search and Insurance**

Your realtor or attorney can arrange for the required title search and title insurance. The purpose of the title search, which is a review of records at the local courthouse, is to make sure that the seller of the house is the legal owner and that there are no outstanding liens, other claims, or overdue assessments on the property. If the property changed hands within the last several years, the title insurance may allow a lower “reissue rate” premium because the recent title search is still valid. The title insurance company can provide this information.

## **6. Settlement**

You and your realtor/attorney will set the date and place of settlement with the seller. The Treasurer’s Office should be advised as soon as this is done. All documents and the mortgage check will be mailed to the place of settlement. There will be no one from the College present at settlement.

It is advisable to arrange for a walk-through inspection of the house just prior to settlement to determine that all repairs and items to be included in the sale are satisfactory. If they are not, funds may be withheld from the seller to be held in escrow until the repairs are made, then released by the title company to the seller.

At settlement you will:

- pay the difference (if any) between the College’s mortgage and the amount owed on the purchase price, together with closing costs, by either a cashier’s check or a certified check.
- sign payroll deduction forms to repay the mortgage to the College.
- pay the interest owed on the mortgage between the date of settlement and the date amortization begins.
- receive copies of the Mortgage and the Note, plus the Settlement Sheet and the keys to the house.

The original Mortgage will be sent by the title company to the Recorder of Deeds in the appropriate County for recording and then held in the College’s files until satisfaction. The original of the Note will also be held in the College’s files until it is paid.

## **7. Satisfaction of the Mortgage**

Upon the satisfaction of the mortgage, you will receive the original Note, marked “Paid.” The original Mortgage will be sent to the County for the recording of the satisfaction. After it is recorded as satisfied and returned by the County, it will be sent to you for your records.