

SECOND CENTURY REGISTER

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Shopping For A Mortgage

How Do You Recognize A Good Deal?

For some people, buying a home can be one of life's most rewarding events. Other prospective home buyers view shopping for a mortgage as one of life's scariest times.

It doesn't have to be that way. Working with a mortgage lender can be more enjoyable than daunting. To find a good deal that you can feel confident about, experts recommend looking at the total cost and benefit package offered by different mortgage companies. Three primary factors to consider are the products offered, loan costs at closing and over the life of the loan, and service.

Products


According to *The National Mortgage News*, 68 percent of the U.S. popula-

tion owned homes in 2002. The housing boom in America can be attributed in part to the tremendous amount of choices in loan products.

It pays to educate yourself on the different types of loan programs available. The most popular products are conventional fixed-rate options and limited down payment programs offering up to 103 percent financing. There are also products designed to assist consumers who may have less than favorable credit and those who are first-time home buyers.

Not all lenders offer a wide range of options. Usually, larger mortgage companies that have their loans funded by investors offer more options.

Regions Mortgage, with its focus on needs-based sales, offers a diversified menu of financing options. Our team of mortgage loan professionals counsels customers to help them determine the best loan for their needs.



H O M E

There's No Place Like Home.

For many years, we've helped families throughout the South discover the joys of community and friendship. As one of the strongest banks in America, we can do the same for you.

Bring Us Your Dreams® **Regions** Mortgage, Inc.

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Costs

The cost of a loan is influenced by rates, fees and closing costs. While considering these costs, pay close attention to the terms of the loan, including the type of mortgage, down payment requirements, the presence of prepayment penalties, mortgage insurance requirements, payment schedule, lock-in period and other features.

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Pick a loan with a rate and terms that will best suit your situation. The rate and the corresponding annual percentage rate of a loan are the largest indicators of cost. The rate you are offered may be based on the type of loan and your credit rating.

Mortgage information sites such as www.mortgage-x.com recommend, "If you plan on shopping around for a mortgage, take the time to order your credit report from all three credit reporting agencies and check it for errors.

"An inaccuracy you aren't aware of could cost you thousands of dollars in extra interest or even cause a denial of credit; it is estimated that 50 percent of all credit reports contain errors significant enough for an individual to be denied a loan."

Mortgage rates generally rise and fall along with yields on U.S. Treasury notes and bonds because those government securities reflect the overall direction of interest rates. By keeping an eye on the Treasury market and mortgage market trends, borrowers have a better chance of obtaining a more attractive interest rate.

Currently interest rates are at their lowest point in 40 years.

If you are considering refinancing, the old rule of thumb to determine if it was worth the cost was for interest rates to be at least 2 percent below your current rate. A more modern way to determine if it is worthwhile to refinance is to consider the savings in monthly payments, the costs of the loan transaction and the term of the new loan compared to the old term.

Service

Rates and closing costs are important, but you want to be sure you choose a lender that will provide the level of service you deserve. Some factors to consider include:

- After your loan closes, most mortgage companies will sell your loan to another company to service the account. This may happen multiple times over the life of a loan. Most home buyers prefer to know who will be servicing their loan and want the servicer to be in close proximity to where they live.

the mortgage transaction and therefore an important consideration when shopping for a mortgage.

- Most customers want a lender they can conveniently contact for assistance. Many people look for lenders they can work with online.

Regions Mortgage, the primary mortgage-lending arm of Regions Bank, strives to set itself apart from other lenders with the service it offers to Regions customers.

Regions Mortgage is a full-service mortgage company that continues to work with customers after their loans close. As of Dec. 31, 2002, Regions Mortgage maintained 98 percent of the loans it originated. With more than half a century of experience helping customers throughout the South, Regions Mortgage offers extensive knowledge that helps make the process go smoothly for our customers.

Regions Mortgage also gives prospective home buyers the ability to apply for a mortgage at www.regionsmortgage.com.

Customers can visit the site to check the balance and escrow information for their loan, too. Loan originators are available in many Regions Bank offices, and payments are accepted at all bank locations.

Let Regions help you find the perfect match of value, competitive costs and quality service for your next mortgage purchase or home refinancing. Visit us online or at Regions Bank.

Mortgage loans are subject to credit approval.

- A lender that has been in business longer will often have a knowledgeable staff and a greater product offering due to established relationships with investors.
- The loan originator is your guide throughout

Inputs	Results	Tables	Help
Purchase price	\$ 125,000		
Loan amount	\$ 100,000		
Term (years)	30		
Interest rate	8.000 %		
Discount points	1.000 %		
Origination fee	0.00 %		
Lender fees	\$ 300		
Credit report	\$ 0		
Escrow fee	\$ 300		
Lender's title insurance	\$ 350		
Recording fee	\$ 25		
Transfer tax or other city, county, or state tax	\$ 0		
Appraisal report	\$ 300		
Survey fee	\$ 175		