



CONGRATULATIONS.
You're a homeowner.



The Montana Board of Housing, administratively attached to the Montana Department of Commerce, strengthens our vibrant communities by supporting access to safe, affordable and sustainable homes for hard-working Montanans whose housing needs are not met by the market. Our professional and courteous staff work to create a variety of housing opportunities for Montanans by partnering with local organizations across the state and leveraging federal housing funds available to Montana.

Our loan servicing specialists can assist you with:

- Taking phone payments
- Answering escrow questions
- Explaining delinquency options
- Referral to a housing counselor

CUSTOMER SERVICE

P.O. Box 200550
Helena, MT 59620-0550

ACCOUNT ACCESS:

montanaloans.mt.gov/account/login

EMAIL: housing@mt.gov

PHONE:

406-841-2840

Montana 711: dphhs.mt.gov/detd/mtap/traditionalrelayservice

FACEBOOK:

 facebook.com/montanadepartmentofcommerce

This document is printed at state expense. Information on the cost of producing this publication may be obtained by contacting the Department of Administration.



COMMERCE





DEAR HOMEOWNER,

Congratulations on becoming a homeowner!

This informational packet is designed to answer common questions about your home loan and to help clarify the home mortgage process.



Welcome

We are excited to have the opportunity to service your new home loan. Customer service is our priority, so we have created a convenient online tool to help you manage your account called Borrower Portal View. Here you can make payments online and manage your home loan account anytime, anywhere.

CREATE YOUR BORROWER PORTAL VIEW ACCOUNT

Have your loan number handy. It can be found in the letter that came with this packet.

- Go to housing.mt.gov.
- Click on “Borrower Portal.”
- Log in using your username and password.
- To create an account, click “Register.” Input your loan number, Social Security number and email address. Select a username and a password that is easy to remember.
- Once you create your account you will be able to access your mortgage loan account and navigate through the following:
 - Loan summary
 - Mortgage summary
 - Amortization calculator
 - Payment history
 - Year-end information
 - Escrow information

LOGGING IN

- Go to montanalans.mt.gov/account/login.
- Enter username and password and click “Sign In.”

IF YOU FORGET YOUR PASSWORD OR USERNAME

- Click the “Forgot Username or Password?” link.
 - Enter your username and click on “Get Reminder Phrase,” or enter loan number, borrower SSN and email address and click “Submit Request” to receive an email with instructions.

IF YOU CANNOT GAIN ACCESS TO BORROWER PORTAL

If you are logging in and are unable to gain access to your account, please call a loan servicing specialist.

CONTACT CUSTOMER SERVICE

Please have your account number handy. If you do not find the assistance you need at Borrower Portal View, our loan servicing specialists are available to provide you with answers to questions regarding your home loan.

BORROWER PORTAL VIEW

Access all your account information online at montanalans.mt.gov/account/login.

Customer Service and Pay by Phone
406-841-2840

Montana 711: dphhs.mt.gov/detd/mtap/traditionalrelayservice

Hours of Operation
8 a.m. to 5 p.m., Monday-Friday

Email
housing@mt.gov

MAKE A PAYMENT

Your payment is due on the first day of each month and cannot be changed. Late charges are assessed when a payment is received after the 16th day of the month at 3 p.m. Make your payments in one of the following ways:

ONLINE

- Visit montanalans.mt.gov/account/login for our Borrower Portal View.
- Enter your username and password and click “Log In.”
- Click “Make a Payment Online” each month and follow the steps to make your payment. There is a \$5 fee for this option.



AUTOMATIC BANK DRAFT

Sign up for free automatic bank drafts to ensure your payment is always on time. Your payment will be automatically deducted from your checking or savings account on one of the two days offered to have the automatic bank draft, eliminating any chance of a late fee. To set up your automatic bank draft payment, fill out the Automated Clearing House Authorization Form in the back of this packet or access the form online through your Borrower Portal View account and follow the instructions for completion. Once your paperwork has been processed, you will receive a letter with the date the automatic payment will begin.

Take a moment to authorize the Montana Board of Housing to automatically draft your payment for you each month. Mail the completed and signed ACH Authorization Form (along with a voided check, not a deposit slip) to the following address:

Montana Department of Commerce
MBOH – Loan Servicing
P.O. Box 200550
Helena, MT 59620

PHONE

Pay by phone with the assistance of a loan servicing specialist by calling [406-841-2840](tel:406-841-2840). Our cut-off time for same-day posting is 3 p.m. There is a \$10 fee for this option.

MAIL

Include your payment coupon located at the bottom of your monthly statement and mail your payment to:

Montana Department of Commerce
MBOH – Loan Servicing
P.O. Box 200550
Helena, MT 59620

IN PERSON

You can drop off your check or money order with your payment coupon at the address below. Cash is not accepted.

301 S. Park Ave., Suite 240
8 a.m. to 5 p.m., Monday-Friday

Our cut-off time is 3 p.m. for same-day posting.

Household Budgeting

If you don't already have a budget, it's never too late to start one. This is the best way to ensure that you are always able to pay essential bills. Here are some budget basics:

If you can't pay all your bills, don't ignore them.

- Contact your creditors as soon as you know that you will not have funds to pay everything on time.
- Figure out how much you will have to pay and then prioritize those funds. Everyone's situation is different, but the usual list would be food, utilities, house payment and car payment — in that order.
- Contact creditors and let them know what to expect. The worst thing you can do is ignore them. Most creditors will work with you if they know that they eventually will be paid in full.
- Do not fall into the payday or title loan trap. This is a vicious cycle that can make your situation much worse in the long run. It is better to let a creditor know you will pay late than to pay on time with a payday loan and then be faced with trying to pay off exorbitant interest and fees on these types of cash advances.



Budget for regular maintenance and unexpected repairs.

Some experts suggest budgeting 1% of the purchase price of the house for annual maintenance and repairs.

Adhere to a regular savings plan.

Think about it as paying yourself first. Regularly putting a portion of each paycheck into savings helps create a sense of financial stability. Many financial advisors suggest saving 5% of your take-home pay.

Always keep an emergency fund on hand.

Saving money isn't always easy but having an emergency fund set aside can make dealing with unexpected events much easier, such as replacing the hot water heater when it suddenly springs a leak. If you don't already have such a fund, it's a good time to start one. You'll be glad you did.

Know what bills are due and when.

Compare the timing of your set expenses (such as your mortgage, utilities, car payments, etc.) with your pay schedule. If you get paid weekly, you need a different strategy than if you get paid monthly. In either case, a checking account will provide an easy way to pay your bills and a way to help you keep track of what you spend.

Ask electric and gas companies about their “budget billing” payment plan.

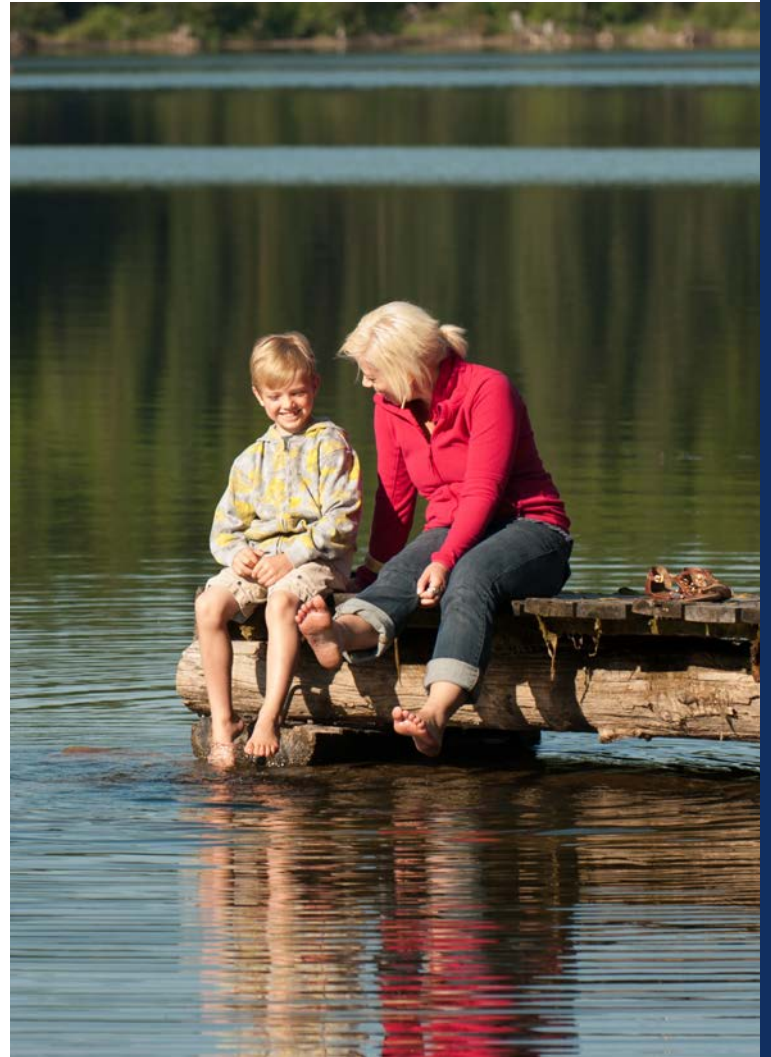
Based on the history of gas or electric use in the home, the company arrives at an estimated annual cost then divides it by 12 months. You are billed for the same amount every month, though the utility company still keeps track of how much you use. Once a year, the company adjusts your average monthly payment up or down according to your actual use, then you pay that amount for the next year. This helps with budgeting since you know in advance how much that bill will be.

Know how you spend your money.

Get in the habit of saving receipts. Jot down what they're for if they're not itemized. This is an easy way to keep track of your cash expenditures. Then categorize all of your expenditures for an entire month. If money is tight, look for ways you can reduce expenses. You will have to do your own analysis, but this will help you see where your money is being spent and help you make adjustments as needed.

Plan for large, periodic expenses.

Expenses such as property taxes, homeowner's insurance (if they're not paid by the lender), car insurance and water bills can be put on a “budget calendar” that shows the approximate amount of the expenses and when they come due.



Plan ahead for major purchases.

Whenever you purchase something on credit, look carefully at the financing terms, including the APR. Often the retailers that offer the easiest terms (no payments due for three months financing) actually charge the highest interest rates. Shop around. Try to save for things you need rather than charging them. You'll pay less and you may decide that you'd rather use the money for something else.

Questions and Answers

Who is providing loan servicing for my mortgage?

The Montana Board of Housing, which is administratively attached to the Montana Department of Commerce, provides loan servicing for MBOH borrowers.

Is my personal information kept private?

We respect the privacy and security of your personal information. Just like you, we want all of your personal information kept that way — personal and private. Our staff adheres to the detailed privacy policy that is enclosed in this packet for your review.

How do I make my payment?

You may make your payments online through Borrower Portal View at housing.mt.gov, by automatic bank draft, by phone with a service professional, drop off in person or by mail. For more information, please see page 3 of this packet.

When is my payment considered late?

Your payment is due on the first day of the month. Late charges are assessed to the loan if payment is received after the 16th day of the month. Postmarks are not considered when determining late payments.

What do I do if I cannot make my monthly payment?

Notify us immediately. No matter the situation, our loan servicing specialists are trained and experienced in dealing with every situation. You may also reach out to the HUD-approved housing counseling agencies in Montana: hud.gov/states/montana/homeownership/hsgcounseling.

Can I defer a payment to the end of the loan?

Our mortgage loans do not allow deferment of payments. If you are having problems making your payment, please contact us immediately. We may have other options that can help.

What do I do if my payment is going to be late?

Notify us as soon as you know your payment will be late. Our loan servicing specialists will help you with a plan to get back on track.

Can I use a debit or credit card to make my payment?

At this time, we do not process debit or credit card payments. However, making a payment online is a debit to your checking or savings account.

What is an “owner occupancy requirement?”

One of the requirements of MBOH loans is that the borrower must occupy the home for the life of the loan. If you must move — because of a job transfer, for example — contact loan servicing with your new address, phone number and your plans for the home. We may approve a waiver of this requirement.



How do I add, remove or change a name on my loan?

We cannot add people to a loan, but we can update the name of an original borrower. Send a photocopy of the legal document showing the name change and a written request that includes your loan number to:

Montana Department of Commerce
MBOH – Loan Servicing
P.O. Box 200550
Helena, MT 59620

In some rare cases, names can be removed from a loan. To find out more about this, contact customer service.

What is an escrow payment?

Your payment has two parts. The first part is principal and interest, which repays your home loan. The second part of your payment is the escrow portion. This portion pays for your property taxes, homeowner's insurance and mortgage insurance, and changes annually depending on your property tax or homeowner's insurance premium changes. Contact the county for information regarding the property tax amount. Talk to your homeowner's insurance agent for information on your insurance premium.

Why does my payment change when I have a fixed rate?

On a fixed rate loan, the principal and interest portion of your payment does not change. However, the escrow portion of your payment may change. The escrow payment is affected by increases or decreases in the property tax and homeowner's insurance bills we pay from your escrow account.

I just received a property tax bill.**Do I have to pay it?**

Each year you should receive a bill (or a copy of the bill) from your county treasurer. They are for your records. We receive the same information electronically and will pay your property taxes from your escrow account.

How do I learn more about my property tax?

Contact your specific tax office.

I received a bill from my homeowner's insurance company. Do I have to pay it?

Your homeowner's insurance is paid from your escrow account. We should receive a bill directly from your insurance company. However, if you receive your homeowner's insurance bill, contact your insurance agent and make sure the mortgagee clause is:

MBOH – Loan Servicing
P.O. Box 200550
Helena, MT 59620

Please be sure your homeowner's insurance agent has Montana Board of Housing listed as your lender and knows your loan is escrowed so they bill MBOH. Give them your loan number so your bill can be processed promptly. Your agent may either mail or send a secured email to mbohinsurance@mt.gov.

Do I have to have homeowner's insurance?

Homeowner's insurance is important for protecting your investment in a home from fire, theft and other potential dangers. Adequate homeowner's insurance coverage is a requirement of your loan. If you do not obtain your own insurance, lender-placed insurance will be purchased for you that you will have to pay through your escrow. This insurance protects the house but not the contents or personal property and can potentially cost you more.

What is mortgage insurance?

Mortgage insurance, either from a private company or a government agency, makes available loans with little or no down payment. Private mortgage insurance is generally required when the loan-to-value of the home is greater than 80 percent. Although paid for by the borrower, the policy insures the lender against default on the loan.

Annual Statements

You will receive three statements from us each year. One is a year-end statement that lists the amounts applied as interest, taxes, insurance and principal paid on your mortgage balance during the prior year. This statement will be mailed in January and should be used by you for income tax purposes.

The second statement is an escrow account disclosure statement that details monthly payments into and out of your escrow account. All borrowers pay principal and interest on their mortgage loan plus an escrow amount that we manage on your behalf to pay property taxes and homeowner's insurance on your home.

The third statement is an annual privacy notice. Although we pay these items from your escrow account, you may receive property tax or homeowner's insurance bills anyway. In this case, please contact us to ensure that we have a copy for payment purposes. You may be able to reduce your real estate property taxes, if you are eligible, by filing for a homeowner property tax exemption with your county treasurer.

ESCROW ANALYSIS

Each year, we must re-evaluate your monthly mortgage payment to reflect any changes in property taxes or homeowner's insurance. Although the principal and interest portion of your monthly mortgage payment may not change, your total monthly mortgage payment may increase or decrease because of changes in property taxes and/or homeowner's insurance on your home.

In the sample statement below, you'll see a monthly breakdown of the projected escrow account starting under "Projected Payments Starting 07/01/19"

- In the first column on the left, you will see the month.
- The second column shows the projected payments into the escrow account.

ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT - PROJECTION
Please review this statement closely, your mortgage payment may be affected.

PROJECTED ESCROW DISBURSEMENTS			
1st HALF COUNTY TAX	1,182.72	2nd HALF COUNTY TAX	1,176.97
HAZARD INSURANCE	1,007.00		
Total projected escrow disbursements		3,366.69	
Escrow payment calculation		3,366.69 / 12 =	280.56
Cushion selected by Servicer		336.67	

PROJECTED PAYMENTS STARTING 07/01/19				
Month	To Escrow	Payments from Escrow	Projected	Required
July	280.56	Starting Balance:	650.56	1,123.59
August	280.56	HAZARD INSURANCE	75.88-	397.15
September	280.56		204.68	677.71
October	280.56		485.24	958.27
November	280.56	1st HALF COUNTY TAX	765.80	1,238.83
December	280.56	1,182.72	136.36-	336.67
January	280.56		144.20	617.23
February	280.56		424.76	897.79
March	280.56		705.32	1,178.35
April	280.56		985.88	1,458.91
May	280.56	2nd HALF COUNTY TAX	1,266.44	1,739.47
June	280.56	1,176.97	370.03	843.06
			650.59	1,123.62

Your starting escrow balance is 650.56, your starting balance according to this analysis should be 1,123.59. This means you have a shortage of 473.03 this shortage will be collected from you over a period of 12 month.

Below is your new monthly payment breakdown for the next 12 months:
Effective 07/01/19

Principal & Interest	861.05
Escrow	319.97
Other monthly Insurance	127.80
Total new payment	1,308.82

- The third column shows the projected payments from the escrow account for homeowner's (hazard) insurance and property taxes.
- The fourth column shows the projected balance of the account, including any surplus or shortage amounts.
- The last column on the right shows Real Estate Settlement Procedures Act required escrow amount by month.

If you see an amount in "Other Monthly Insurance" at the bottom of the letter, it is the monthly Federal Housing Administration Mortgage Insurance Premium that is paid to FHA on a monthly basis. It is not shown in detail on this letter as it is an in-and-out amount.

PROJECTED ESCROW DISBURSEMENTS

This is the total projected amount that will be paid on your behalf toward property tax, USDA or private mortgage insurance and homeowner's (hazard) insurance. A projected monthly disbursement history is provided so you can see how a new monthly mortgage payment is calculated.

NEW MONTHLY PAYMENT BREAKDOWN

This section details your new monthly payment, including principal and interest, your new escrow account payment, discretionary items and shortage or deficiency spreads (any additional monies collected monthly to make up escrow account shortages). If there is a surplus of more than \$50 in your escrow account (more money than is needed to pay homeowner's insurance and property taxes), a refund will be processed for you if your loan is current. If there is a shortage, we will collect an additional amount each month, spread out over 12 months, to make up the difference.

Please review your statements closely because your mortgage payment may be affected. The statement reflects any changes in your monthly mortgage payment, including surplus refunds or shortages.



Terms and Policies

TERMS

Deficiency: Negative escrow balance.

Escrow Account: This account is set up on your behalf to pay property taxes; FHA, USDA or private mortgage insurance; and homeowner's hazard/flood insurance throughout the year (flood insurance is not required on all homes). The money used to pay property taxes and homeowner's hazard/flood insurance comes from a portion of your monthly mortgage payment.

FHA Insurance: Insurance paid to the Federal Housing Administration to secure mortgage loans.

Hazard Insurance: Homeowner's insurance necessary to cover fire or other damages to a borrower's property as described in the insurance policy.

Principal and Interest: Your monthly principal amount plus interest payment.

Private Mortgage Insurance: Insurance paid to a private mortgage insurance company insuring mortgage loans in case of default.

USDA Annual Guarantee Fee: Fee paid to the U.S. Department of Agriculture Rural Development to secure mortgage loans in those areas designated as rural.

Shortage: An escrow account shortage occurs when an insufficient amount is collected to pay property taxes and homeowner's insurance on a borrower's home. We collect shortages over a minimum 12-month period.

Surplus (overage): An escrow account surplus occurs when more funds are collected for taxes and insurance than are needed to pay on your behalf. We refund any surplus amounts in excess of \$50 to you within two weeks of the completed Annual Escrow Disclosure Statement if your loan is current.

RESPA: A federal guideline to assist mortgage lending and servicing organizations in the collection and distribution of escrow funds. RESPA regulates the maximum amount of escrow money that mortgage servicers may collect and hold in an escrow account. Montana Code Annotated 2017, Title 71, Chapter 1, Part 1, 71-1-113 places limits on the amount of funds on reserve. Except as provided in 71-1-114, if a lending institution requires a borrower under a mortgage or trust indenture of real property to include in the borrower's regular payment additional payment into a reserve fund held by the lending institution for the future payment of property taxes, insurance premiums and other expenses, the amount of funds on reserve may not exceed 110% of the projected amount needed to pay those expenses.



RESPA POLICY

The following is set forth in the Real Estate Settlement Procedures Act (12 USC 2605) Section 6. For more information, please refer to this act. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your prior servicer before its due date may not be treated by the new servicer as late, and a late fee may not be imposed on you. Section 6 of RESPA (12 USC 2605) gives you certain consumer rights. If you send a “qualified written request” to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgement within 20 business days of receipt of your request.

A “qualified written request” is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, that includes your name and account number and your reasons for the request. No later than 60 business days after receiving your request, your servicer must make any appropriate corrections to your account and must provide you with written clarification regarding any dispute. During the 60-day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such a period or qualified written request.

A business day is any day, excluding legal public holidays (state or federal), Saturdays and Sundays. Section 6 of RESPA also provides for damages and costs for individuals in circumstances in which servicers are shown to have violated the requirements of that section. You should seek legal advice if you believe your rights have been violated.

PRIVACY POLICY

This notice is in accordance with federal law enacted in June 2000. There is no action required on your part. The notice is for informational purposes only.

YOUR PRIVACY

We respect the privacy and security of your personal information. Just like you, we want all of your personal information kept that way — personal and private. This notice describes the privacy policy and practices we follow.

SAFEGUARDING CUSTOMER INFORMATION

We will only grant access to nonpublic personal information, as defined by federal law, about you to employees who need it to perform their job responsibilities or as otherwise required by law or legal process. Furthermore, nonpublic personal information is provided only to our contracted service providers as necessary to administer or enforce your transaction. Even if you are no longer our customer, we will continue to treat your nonpublic personal information in the same way we would if you were still a customer. In addition, we maintain physical, electronic and procedural safeguards to store and secure information about you from unauthorized access, alteration and destruction.

Any agreements entered into by our company with nonaffiliated third parties to provide services for us, or to make products or services available to you, contain specific conditions requiring those companies to safeguard the confidentiality of this information and to not use it for any other purpose.

COLLECTION OF INFORMATION

We obtain only the information needed to process your loan application and service your home loan.

The following lists the usual kinds of nonpublic financial information we obtain and from what sources that information is obtained:

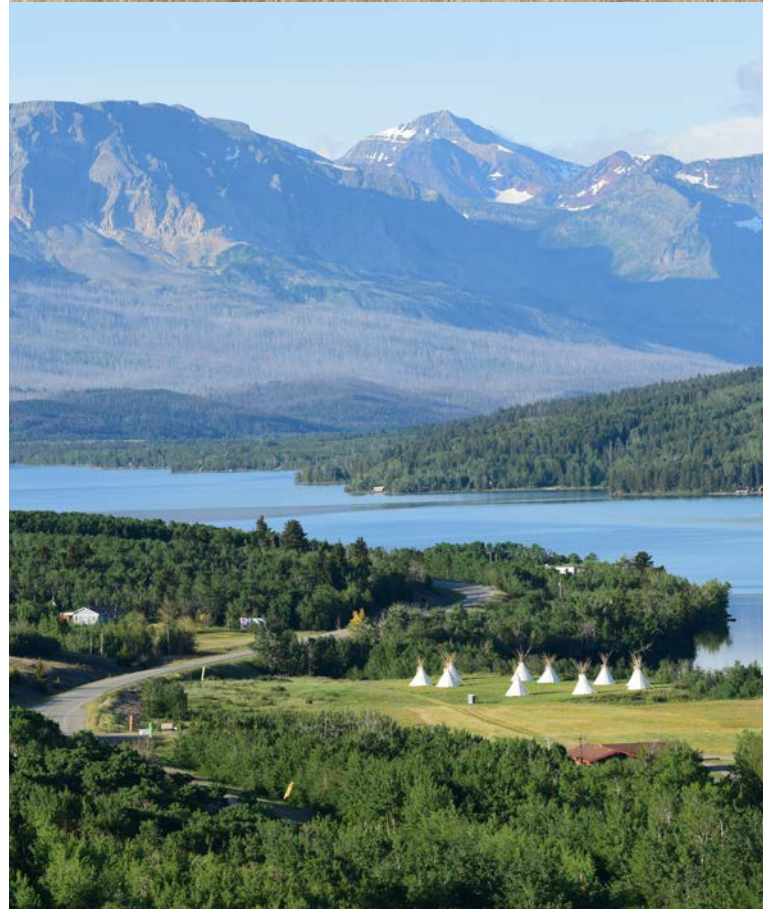
- From forms you fill out (such as a loan application) via the internet, by telephone or otherwise. Examples of this type of information include your name, address, Social Security number, credit history and other financial information.
- From transactions with us. For example, payment history, account balance and other transaction records.

- From credit reporting agencies, such as information relating to your creditworthiness and credit history.
- From third parties to verify information you have provided to us.

SHARING OF INFORMATION

We do not disclose, or reserve the right to disclose, nonpublic financial information about our current or previous customers except as permitted by law or with customer permission.

We do not disclose any nonpublic personal information for our current or previous customers with nonaffiliated third-party marketers offering their products and services. While we may offer financial products and services of our third-party providers, we control all information used to make such offers.



**THANK YOU FOR ALLOWING US TO
SERVICE YOUR HOME LOAN. WE VALUE
YOUR BUSINESS AND ARE COMMITTED
TO PROTECTING YOUR PRIVACY.**



AUTOMATED CLEARING HOUSE (ACH) AUTHORIZATION FORM

Borrower Name: _____ MBOH Loan #: _____

Borrower Address: _____

Borrower Current Phone #: _____

Borrower Email: _____

Bank Name: _____ Bank Routing Number: _____

Account Type: Checking Savings Account Number: _____
(Please circle one.)

Payment Amount _____ Draw on the: 5th -or- 10th
+ Extra Principal (optional) _____ (Please circle one
= TOTAL Debit _____ Beginning Date: _____
date of the month.)

ACH forms are due in our office no later than the 24th of the month to begin ACH in the following month.
Your loan must be current in order to sign up for ACH.

CANCEL EXISTING TRANSFER(S) (If you need more space, please attach a separate sheet.)
Please cancel the automatic transfer(s) from:
Bank Account # _____ to My MBOH Loan # _____
Print Name _____ Signature _____ Date _____

By signing below, I represent and warrant that I am legally authorized to access funds from the account specified. I also agree to the signature acknowledgment on the back of this form.

Borrower Signature

Date

(See remaining instructions on the back of this form. A voided check must be attached.)

commerce.mt.gov | housing.mt.gov

301 S. Park Ave. | P.O. Box 200550 | Montana Board of Housing — Loan Servicing | Helena, MT 59620-0550

Phone: 406-841-2840 | Fax: 406-841-2841

Montana 711: dphhs.mt.gov/detd/mtap/traditionalrelayservice



SIGNATURE ACKNOWLEDGMENT

In signing this document, I (we) also authorize the Montana Board of Housing to initiate adjustments to my account when escrow analysis is processed annually. I agree to have enough money in my account at least one (1) day before the transfer is scheduled. I understand that MBOH can cancel this service without my consent (1) at any time 21 calendar days after sending written notice to me, or (2) immediately upon receiving notification of the death or insolvency of any owner of the account identified above or the closing of the account identified above. This authorization shall remain in full force and effect, and shall be binding on my heirs, personal representative, administrators, assigns and co-owners of the account above, unless an owner of the account to be withdrawn from cancels in writing no less than seven (7) business days before the next scheduled transfer. An owner of the account to be withdrawn from can revoke this authorization by completing the section below.

ATTACH A VOIDED CHECK FROM YOUR BANK

YOUR NAME
Your Address
Your City, State Zip

3456

Pay to the
Order of _____ \$ _____
Dollars

YOUR BANK
Bank City, State Zip

For _____

1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0 11 3 4 5 6

Routing # Account #

Credit Union Members:

To ensure prompt processing of your ACH, please verify your account and routing/transit numbers with your credit union, since the correct numbers may be different than those appearing on your check. If different, please make sure to include the correct bank routing and account numbers on the front of this form.

SEND US YOUR PAPERWORK

Send the completed form, along with your voided check, to:

Montana Department of Commerce
MBOH — Loan Servicing
P.O. Box 200550
Helena MT 59620-0550

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OUR MISSION STATEMENT

The Montana Board of Housing, administratively attached to the Montana Department of Commerce, works with community partners across the state; together we ensure Montana families have access to safe and affordable homes.



MONTANA DEPARTMENT OF
COMMERCE