

**CONGRATULATIONS, you closed on your home equity loan!****What happens next? A few things we suggest:**

☐ Stop any auto payments for your previous lender/mortgage loan.

☐ Initial payment setup:

Systems can take up to 45 days to set up an automatic payment. If you have not received communication confirming that your automatic payment has been set up, make sure you manually make the initial payment (this can be done via the website, telephone, or at a branch).

☐ Notify your insurance company your home loan is now with Rally Credit Union. As a lender, we initiate this process for you; insurance companies often like to confirm with the homeowner that these changes are accurate. Our

Mortgagee Clause should read:

Rally Credit Union  
Its Successors and /or Assigns  
P.O. Box 961292  
Fort Worth, TX 76161-0292  
Loan Number: \_\_\_\_\_

☐ If you were escrowing your taxes and/or insurance with your prior mortgage and are no longer escrowing with your new mortgage, you will receive any remaining balance in your previous escrow account by mail within 30 days.

☐ If you were not escrowing your taxes and/or insurance with your prior mortgage and are now escrowing, there is nothing you need to do.

☐ If you were and are now escrowing, the two items above could be applicable. Reach out to your previous lender to confirm.

☐ Check your statements when paying off creditors (regardless of if we sent the payoff or you did). Many times, additional interest has accrued from the time the payoff request was made and the creditor received funds. You are responsible for this small remaining balance. Watching out for these statements will ensure the creditor does not charge you a late fee and your credit is unaffected.

**If you are utilizing your equity for home improvements:**

☐ Be sure to have all materials delivered to your home address and get a receipt for materials from the contractor.

☐ Do not pay any contractor or for labor upfront; Pay as stages of the job are completed or pay in full once the project is completed.

☐ Contact your home lending specialist for helpful tools for hiring a contractor.

## **Important Information About Your Home Equity Loan**

**CONGRATULATIONS**, you closed on your home equity loan! Important information to know.

### **First 30 Days After Closing**

- If your payment is set up on auto draft, look out for a mailed/emailed confirmation that your auto draft was set up successfully. Depending on when you closed on your home, you might have to make your first payment manually.
- A release of lien will be mailed to you; please ensure this is recorded with the county the property is in (if paying off a current mortgage lien).

### **Ongoing After Closing**

- Your taxes and insurance will fluctuate yearly as property values increase. These fluctuations will impact your monthly escrow payment or savings for taxes and insurance. Be sure to save for these increases.
- Escrow is for future payment of taxes and/or insurance. Escrow is a savings account for the following year's premiums, not current-year payments. Do not cancel your current insurance payments/premiums.
- Open and review all mailings from your Homeowners Insurance and Rally Credit Union. These mailings will provide any advance notices of cancellations, auto draft errors, or changes in your ongoing payments.
- Save all home loan documents and release of liens until you no longer own the home.