

**Banco Popular**  
Mortgage Loan Division - 761  
PO Box 362708  
San Juan, PR 00936-2708

Thank you for choosing us to finance your home. For your convenience, this leaflet includes relevant information regarding your mortgage loan.

When applicable, we will also include the 2018 Mortgage Interests Informative Return Form 480.7A. If your mortgage loan was serviced by another institution as of January 1st, 2018, you will also receive an additional form from that institution. You will need to add the interest reported in both forms to account for the total interest amount you paid in 2018.

Remember that we are committed to providing you mortgage solutions that will make your life easier.

## Get to Know your Periodic Statement

Your periodic billing statement includes the following information: (i) the due date of your payment; (ii) the payment amount; (iii) the date in which a late charge will be imposed; (iv) the amount of the late charge; (v) and the total amount due if the payment of late charges is warranted.

Mortgage payments are due on the same day stated in the periodic statement and the Mortgage Note. If at any time this date falls on a Saturday, Sunday or holiday, it will be extended to the next business day.

A late charge will be assessed if payment is not received within the grace period following your payment due date. The late charge may be assessed once on each late payment. The mortgage loan documents specify the amount of the late charge, which may not exceed that permitted by applicable regulations.

**Avoid late charges and protect your credit history by paying your mortgage loan on time.**

## Payments and Credit Record

If for any reason you don't receive your periodic statement, please send us your payment and identify your check or money order with your loan number.

The most effective way to make your payment is through Direct Payment Service. This service allows you to select the day and deposit account from which you want us to debit the mortgage payment. Your payment will be made automatically on the selected date.

For your convenience, you can select any payment date within the 15 days of grace that Popular offers you. For more information, please visit our webpage: <http://www.popular.com/hipotecas/servicios/>. You may also contact Customer Service at 787-775-1100 or 1-800-981-1982, toll-free. For Loss Mitigation Program options, call 787-522-1544 or 1-800-981-4741.

## Mortgage Payments Processing Policy

A Periodic Payment is a payment that covers the total amount of principal, interest and escrow (if applicable) for a given billing cycle. Mortgage payments are posted upon receipt.

A Partial Payment is any payment that is less than a periodic payment. Upon receipt of a partial payment, Banco Popular holds the payment in a separate (suspense) account until the borrower pays the rest of such payment, and will then apply the full payment to the loan.

An Excess Payment is an amount received greater than the total periodic payment(s) due. Upon receipt of an excess payment, after one or more periodic payments are covered, the funds will be applied to negative reserve for insurance and taxes, late charges and/or other charges due. Any remaining funds available will be applied to the mortgage loan unpaid principal balance or escrow account.<sup>1</sup>

When issuing a mortgage payment, you must comply with the following conditions:

- Send payment with the correct loan number.
- Payments received after 5:00 p.m. will be processed the next business day.
- Pay off payments received after 4:00 p.m. will be processed the next business day.
- Do not issue mortgage payments in foreign currencies.
- Payments in cash are only accepted in our branches.
- Checks should be signed and dated.
- Pay off payments must be in official checks.

Payments that do not meet these conditions are considered non-conforming payments and, if applied to the mortgage payments, it may take up to 5 days from receipt. If the mortgage loan is transferred or sold, the new lender may have a different policy for payment processing.

Total unapplied funds are disclosed in the periodic billing statement.

## Property Taxes

Property taxes due may be recorded as a preferential lien on your property, ahead of any other lien, and it is therefore necessary that their payment be kept current.

Please be advised of the following:

- The Tax Notice issued by "CRIM" (Centro de Recaudación de Ingresos Municipales) or the Department of the Treasury of Puerto Rico ("The Treasury") is an invoice and you must send it to Banco Popular as soon as you receive it, except if the notification presents the property as tax exempt. Should you receive any such notice from either agency we need you to send it to us, together with any related correspondence, in a separate envelope (do not include it with your periodic payment), and duly identified with your loan number. If you do not receive such Tax Notice, you must obtain a Tax Debt Certificate and send it to us. Before sending it, make sure that all the information in the document is correct.
- Any changes in property ownership or occupancy must be promptly notified to CRIM (before December 31 of the current year) and Banco Popular to update our records accordingly.
- If CRIM or The Treasury issues a tax bill not showing exemption credits you may be entitled to, it is your responsibility to obtain the necessary adjustments from the corresponding CRIM or The Treasury offices and provide us a copy of the new tax notice as soon as issued.
- If the property is a new construction, the developer may have received the notification. You must obtain it from the builder and send it to us immediately, identified with your loan number.
- It is your responsibility that the property be duly appraised for tax purposes, and to notify us of the tax amount to be included in your periodic payment.
- The Annual Escrow Account for your loan shows the amount of property taxes paid during the year. You should verify the amount paid against the tax notice issued by CRIM. If the Statement shows no tax payments and the CRIM indicates an amount to be paid, you must notify the Bank immediately, through the following email: [documentoscontributivos@popular.com](mailto:documentoscontributivos@popular.com).

## New Loans<sup>2</sup>

If you need to refinance, buy or build the home of your dreams, visit any of our Popular Mortgage Centers located around the Island or call 787-707-7070 or 1-866-358-7070 (outside the Metropolitan Area). We will be happy to assist you!

## Change of Ownership

Your mortgage may have a "due-on-sale" clause regarding transfers or assumptions that may require prior consent in writing from the lender to sell or transfer all or part of your interest in the mortgaged property. Non-compliance with this disposition may result in the lender immediately declaring due and payable all amounts secured by the mortgage. For this reason, before selling the property, mortgagors should verify the terms and conditions of the mortgage deeds or call us at 787-775-1100 Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 1:00 p.m. (1-800-981-1982 toll-free)<sup>3</sup> and we will gladly advise you on the alternatives that may apply to your loan, according to the guidelines of Banco Popular and/or investors.

## Service Fees

Processing of the services listed below entails the fees indicated:

### Duplicate copies of Mortgage Loan Documents

- Duplicate of Mortgage Note \$10.00
- Duplicate of sales deed \$10.00
- Duplicate of mortgage deed \$10.00
- Duplicate of tax exemption request \$10.00
- Duplicate of Amortization schedule \$10.00
- Duplicate of Annual Statement (FHA cases) \$5.00
- Duplicate of Periodic billing statements (per statement) \$5.00
- Duplicate of tax notices (480.7A, 480.6A or 480.6D) (per year) \$5.00<sup>4</sup>
- Duplicate of other documents \$10.00

### Other Special Services

- Pay-off statement update \$10.00
- Pay-off statement via facsimile \$5.00
- Payment history (per year) \$5.00<sup>4</sup>
- Processing non sufficient funds transaction \$10.00
- Partial Release of Security \$250.00<sup>5</sup>
- Property Inspections up to \$15.00
- Evidence of property tax payment (per semester) \$5.00<sup>4</sup>
- Detail analysis of Escrow transactions \$25.00
- Legal document handling \$10.00
- Evidence of cancelled check or substitution of checks \$10.00
- Tax disbursement Certificates (per semester) \$5.00
- General Information Certificates (per certificate) \$5.00
- Insurance Certificates (per year) \$10.00<sup>4</sup>

This is not a complete list of all fees or costs that could be assessed to an account. This schedule is provided for information purposes only. These fees may vary according to the applicable financial institutions, such as the Department of Housing and Urban Development (HUD), the Office of Veterans Affairs (VA) and the Puerto Rico Housing Finance Authority (PRHFC), investor guides or as determined by the Bank. These fees are subject to change without prior notice based on factors including changes to federal or state regulations or investors' and guarantor's requirements.

## Hazard or Flood Insurance Protection

The purpose of maintaining a hazard insurance policy, including flood insurance when applicable, is to reduce risk and ensure getting enough money to rebuild your property in case it is partially or totally destroyed by fire, earthquake, hurricane, or flood (in cases where there is a flood policy). For this reason, keep in mind the following:

- The coverage of the policy should be reviewed annually to cover the building's increase in value, whether because of improvements made or as the result of any value increase. The purpose of such review is to increase the coverage of the policy to the replacement value of the building. If the property is underinsured, you are assuming the risk for the difference between such replacement value and the coverage of your policy. To review your present insurance coverage and amounts, contact your insurance agent or company for further information. Banco Popular does not authorize insurance brokers to make representations on behalf of Banco Popular.
- As the owner of the property, it is your responsibility to maintain adequate building insurance coverage and to verify that the description of your property and the insurance limits in your policy disclosure are adequate. Coverage is usually limited to building protection only, yet it can include personal property as an optional coverage. Changes in the building or in its use or occupancy should be immediately notified to the insurance company so that the necessary adjustments can be made in the policy, for your property to remain protected.
- The standard fire hazard policy does not cover losses due to flood, landslides or tsunamis. If your property is located in a flood-prone or tsunami-prone area, you should obtain flood insurance coverage and inform us about it. The flood coverage can be limited to the building structure only or include personal belongings too, as an optional item. If you want such optional coverage, you must ask your agent for it. The premium for flood insurance policy will always be retained in the escrow account.
- The Annual Statement of your loan shows the insurance premiums paid by us during the year. You should verify the premium amount paid against the premium shown in your policy.

## Notice Concerning Mortgage Insurance

Your loan may have mortgage insurance that protects lenders against financial loss when borrowers default. Insurance premiums are added to your loan payments. Under certain circumstances it can be cancelled with the consent of the lender. For information about the cancellation of this insurance, contact our Customer Service division.

For information about our services, please write to the address indicated at the beginning of this document or call us at 787-775-1100 Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 1:00 p.m. (1-800-981-1982 toll-free).<sup>3</sup>

For mortgage advice, free assistance is offered by consultation agencies approved by the Department of Housing and Urban Development (HUD). These advisors are trained to help consumers who have problems with their mortgage payments. For a list of mortgage counseling organizations in your area, visit <http://www.hud.gov>, <http://www.consumerfinance.gov> or call 1-800-569-4287, or the line for the hearing impaired at 1-800-877-8339. You can also call 1-888-995-4673 or visit <https://www.makinghomeaffordable.gov> or <http://www.knowyouroptions.com>.

Furthermore, according to the Federal Real Estate Settlement Procedure Act (RESPA), Regulation X, you have a right to request certain information (Information Request) and to notify a financial institution if you believe an error has been made (Notice of Error). These communications, also known as Qualified Written Requests, need to be sent exclusively to the following address: BPPR Mortgage Servicing, PO Box 70127 San Juan, PR 00936-8127.

The information about your loan is confidential and will not be disclosed to others without a written authorization from you.

At Banco Popular we remain at your service.

## Contact Us

For more information about your mortgage you can contact us through:

- Email: [customer.request@popular.com](mailto:customer.request@popular.com)
- Telephone: 787-775-1100 or 1-800-981-1982, toll free, during the following hours:
  - Monday through Friday 8:00 a.m. to 6:00 p.m.<sup>3</sup>
  - Saturday or certain holidays 8:00 a.m. to 1:00 p.m.<sup>3</sup>

<sup>1</sup> This policy is not applicable to VA loans & Multifamily FHA loans.

<sup>2</sup> Subject to credit approval.

<sup>3</sup> Working hours may change due to special events.

<sup>4</sup> New Fees.

<sup>5</sup> This may entail other costs from third party services.



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(Versión en español al dorso)

# SERVICIOS HIPOTECARIOS DE BANCO POPULAR



LO QUE NECESITA SABER SOBRE  
SU PRÉSTAMO HIPOTECARIO

WHAT YOU NEED TO KNOW  
ABOUT YOUR MORTGAGE LOAN



