RIDGEWOOD SAVINGS BANK

SAVING IS THE SECRET OF WEALTH

FOREST HILLS OFFICE
QUEENS BOULEVARD AND 108TH STREET
FOREST HILLS, N. Y.

LAURELTON OFFICE
MERRICK AND FRANCIS LEWIS BOULEVARDS
LAURELTON 10, N. Y.

ADDRESS COMMUNICATIONS TO

RIDGEWOOD OFFICE
MYRTLE AND FOREST AVENUES
RIDGEWOOD 27, N. Y.

QUEENS COUNTY, NEW YORK

Dear Friend:

Your First Monthly Payment Mortgage Book is enclosed with this letter. Many thousands of home owners have found it advantageous to finance their homes through the Ridgewood Savings Bank. We welcome you to this group and we sincerely hope that our relationship will, at all times, be friendly and cooperative.

These Monthly Payment Mortgages seem somewhat complicated to the home owner. Perhaps a word of explanation at this time will serve to clarify some of the problems.

First and foremost, it is good business for you and for us that your payments be made promptly. It is to your advantage because your mortgage provides for certain late penalties, if payments are not made on time. These penalties are an expensive price to pay for carelessness. Furthermore, a reputation for prompt payment is a valuable asset, when, in a real emergency, you ask that we be lenient, or, in the event that you ask this Bank to give you a credit reference.

Prompt payment is also to our advantage. .Servicing a mortgage costs money ---- a lot of money. The expense is greatly increased when we are compelled to follow up on delinquent accounts. This is an unpleasant task but the law requires that we make every effort diligently to collect. The money which we invest in mortgages is not our money. It belongs to our many depositors and it is our duty to protect it and guard it.

Nevertheless, we realize that, in any family, financial crises do occur and in those instances we endeavor to be reasonable and patient. It is then that your past record of performance is a powerful factor in determining our course of conduct.

Usually monthly payments include amortization (payments in reduction of mortgage), interest, fire insurance, taxes and occasionally water charges. If your water is furnished by a private company, or if you live outside New York City and receive your water on a metered basis, it is not included in your monthly charge. The amounts which you pay for interest and reduction of mortgage are definitely fixed and will not change during the life of the mortgage. The other amounts for taxes and insurance are subject to change and in the usual case, your tax amount will change from year to year. As to these latter amounts, we are simply your bookkeeper. If we collect too much, you get a refund. If we collect too little, we are compelled to bill you for the difference.

Real Estate taxes are based on the assessed valuation of your home and the tax rate fixed by the local Taxing Authorities. Especially with a new home, the final assessed valuation is often not fixed until many months after you take possession. In those instances, it is the usual practice for us to estimate your taxes, until such time that we have more accurate information.

You will receive a new Monthly Payment Book each year about September 15th if you live in New York City, and about March 15th if you live elsewhere. In most cases this will be the time when your Monthly Payment will be changed and adjusted. In any event, please remember that annually we fully account to you and any excess funds belong to you.

The Annual Statement which we will mail out about January 15th is important to you. Under present Income Tax Laws, all Real Estate taxes and all interest on your mortgage are deductible in determining net income. The Annual Statement gives you this information.

Periodically we inspect your property. We are constantly amazed and delighted by the pride of ownership which the home owners have in their dwellings. By and large, the average home owner keeps his place spick and span and well maintained. The infrequent exception to the rule does not do justice to himself,

VETERANS ADMINISTRATION
Regional Office
252 Seventh Avenue
New York, N. Y. 10001

DEC 19 1968

IN REPLY REFER TO: 261A

Mr. Leroy Johnson
14 A St. James Place
Brooklyn, N.Y. 11205

Dear Homeowner

I am pleased to tell you that the Veterans Administration has guaranteed the mortgage loan on your home.

Since some veteran homeowners do not fully understand their obligations under GI loans, we believe you will find a brief explanation helpful.

Please remember that having signed the mortgage note you are responsible for repaying the loan in full. Each monthly payment must be made by you on or before the due date. There is no "grace period" on these payments. It is very important that each installment be paid on time. Late payments can damage your credit reputation. A good credit rating helped you get your GI loan, and it can help you in the future. Keep your payment record clear and up to date.

If you sell your home at some future time, you will continue to owe money on the GI loan until it is paid in full or until you are released from your obligation. Even if the buyer assumes or takes over the payments, you will continue to owe the balance on the loan if for some reason he fails to pay. Should it be necessary for the lender to foreclose and for VA to pay the lender, you probably will end up owing a debt to the Government.

There are two ways you can make certain that this doesn't happen when you sell your home. First, you can require your buyer to get a new mortgage of his own. Then your GI loan will be paid in full with the buyer's loan. Second, if your buyer is a good credit risk and if he assumes liability for the mortgage payments with VA's prior approval, you can be released from any further obligation. Don't make the mistake others have made. Obligations incurred on a guaranteed mortgage loan are <u>not</u> ended by walking away from the property or by mailing in the keys to the mortgage lender.

Please read carefully pages 20 through 24 of the enclosed VA Pamphlet "Pointers for the Veteran Homeowner," where there are many suggestions to help you avoid mistakes and enjoy the full benefits of home ownership.

Please accept my best wishes for happiness and success in your new home.

Very truly yours,

Albert J. Grace

Loan Guaranty Officer

YOUR CERTIFICATE OF ELIGIBILITY IS HEREWITH ENCLOSED

Encl.

FL 26-589
AUG 1965

"P.S." You should keep this letter with your loan papers as a reminder to obtain release from liability if you later decide to sell your property.

Show veteran's full name and VA file number on all correspondence. If VA number is unknown, show service number.