

# Helpful Tips When Making Your Monthly Mortgage Loan Payments



If you make a payment on your home loan in excess of the regular monthly payment (an “excess payment”), please provide Central Pacific Bank with written directions on how you want to apply the excess payment. Doing so will allow us to properly post your payments correctly and avoid misapplied payments.

For example, you might want to apply your excess payment towards prepayment of your principal or you might want to apply your excess payment towards future monthly payments of principal and interest. In either case, here are a few guidelines to keep in mind when making your monthly payments:

**1. Additional Principal Payments:** when making additional principal payments, **please add the amount of additional principal that you wish to pay down to the same check that you are using to make your regularly scheduled monthly payment.** For example, if you want to make an extra \$1,000 payment toward principal and your regularly scheduled monthly payment is for \$1,725.50, then send us a check for \$2,725.50. As long as we receive your check anytime within the grace period (e.g., the 5th day of the month) we will credit your loan for the regularly scheduled payment due, \$1,725.50, as if it was received on the due date (e.g., 1st day of the month) and the extra \$1,000.00 will be paid toward principal as if it was received on the 1st, as well.

**2. Automatic Payments:** If you pay by automatic debit from your checking account and want to make an additional payment to principal, send us a check for a round numbered amount (e.g., \$100, \$500, \$1,000, etc.). **Note clearly on the check that you want the payment to go to pay “Principal Only.”** Don’t forget to include your Loan Number and Borrower Name if different from the name on the check.

**3. Scheduled Payments in Advance:** If you will be traveling and want to make an advanced monthly

payment, then you should send us two checks. For example, include one check for \$1,725.50 to cover the payment due on 10/1/2012 and a second check for \$1,725.50 to cover your payment due on 11/1/2012. **Note clearly on the second check that you want the payment to be applied to your “Next Scheduled Payment.”** Don’t forget to include your Loan Number and Borrower Name if different from the name on the check. Do not combine the two payments on one check.

If we receive an excess payment that does not follow these guidelines, or is not accompanied by written instructions from you regarding how the excess should be applied, the Bank will treat that payment as a prepayment of principal and you will be expected to continue to make your monthly payments, with one exception: If the excess payment is exactly equal to your monthly payment amount or some multiple of that amount, the Bank will treat the excess as a payment in advance of one or more of your regular monthly payments, instead of applying the excess to principal.

Should you have any questions or concerns, please call our Customer Service Center at 544-0500 on Oahu or toll-free 1-800-342-8422 from the neighbor islands or mainland.