

Mortgage shopping worksheet

—a dozen key questions to ask

	Current lender	Lender 1	Lender 2	Lender 3
What type of mortgage is it—fixed-rate, adjustable-rate, FHA, VA, other?				
What is the loan term (length of loan)?				
What is the contract interest rate or starting interest rate?				
Can the balance you owe on the loan rise?				
Does the loan payment include an escrow or reserve for taxes and insurance?				
What is the estimated total monthly payment (principal, interest, taxes, insurance, PMI)?				
What are the estimated fees and other settlement (closing) costs?				
Does this loan have a prepayment penalty? If so, how much could it be?				
Does this loan have a balloon payment? If so, how much is it?				
If the loan has an adjustable rate*:				
When is the first rate adjustment?				
What is the most the rate could be at the first rate adjustment?				
What is the most the monthly payments (for principal and interest) could be after the first rate adjustment <i>and</i> over the life of the loan?				

Based on the answers to these questions, and after calculating your break-even period, you may want to get more detailed information. You can use our *In-Depth Mortgage Shopping Worksheet* (www.federalreserve.gov/pubs/mortgage/worksheet.pdf) to learn more about the mortgages you are considering.

* If you are considering an adjustable-rate loan, review the items listed in the *In-Depth Mortgage Shopping Worksheet* (www.federalreserve.gov/pubs/mortgage/worksheet.pdf) for more questions to ask your lender.