

Loan Estimate

APPLICANTS James White
Jane Johnson
PROPERTY 456 Avenue A
Anytown, CA 12345

DATE ISSUED 06/22/2011
LOAN TERM 30 year
LOAN TYPE 5/1 Adjustable Rate
PROGRAM Conventional
PURPOSE Purchase

Loan Terms	CAUTION?	
Loan Amount	\$315,000	
Interest Rate	2.75% for 5 years	YES → <ul style="list-style-type: none"> • Can go as high as 8% in year 7. • Adjusts every year starting in year 6. • See details on page 2.
Monthly Loan Payment Principal and Interest Mortgage Insurance	\$1,446.10 \$1,285.97 + \$160.13	YES → <ul style="list-style-type: none"> • Can go as high as \$2,311. • Adjusts every year starting in year 6.
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments	Expect to make these payments.		
AT CLOSING	YEARS 1 – 5	YEAR 6	YEARS 7 – 30
\$33,896	\$1,883 a month	\$2,703 if rate is 7.75%	\$2,748 if rate is 8%
Cash Needed to Close See details on page 2	\$1,446 monthly loan payment + \$437 estimated taxes and insurance	\$1,919 if rate is 3% Includes estimated taxes and insurance	\$1,919 if rate is 3% Includes estimated taxes and insurance

Comparisons	Use these measures to rate this loan and compare with others.	
Estimated Closing Costs	\$11,448	See details on page 2.
Annual Percentage Rate (APR)	3.28%	Your interest combined with fees over 30 years as a yearly rate.
In 5 Years	\$98,214 \$36,239	Total you have paid in principal, interest, mortgage insurance, and fees. Principal you have paid off.



Loan Estimate Details

You have no obligation to choose this loan.
Shop around to find the best loan for you.

Payments at Closing

ESTIMATED CLOSING COSTS

A	Costs	Origination Fees. This fee cannot change. Includes <u>1</u> points (1%)	\$3,295
		You Cannot Shop for These Services	
		<input checked="" type="checkbox"/> Appraisal <input checked="" type="checkbox"/> Tax Service	\$480
		<input type="checkbox"/> <input type="checkbox"/>	
		You Can Shop for These Services	
		<input checked="" type="checkbox"/> Owner's Title Insurance (not required)	\$950
		<input checked="" type="checkbox"/> Title Services	\$3,563
		<input checked="" type="checkbox"/> Inspections & Surveys	\$200
		<input type="checkbox"/>	
		SUBTOTAL. Cannot exceed \$5,184. If you choose your own provider, our price does not apply for that service.	\$4,713
B	Prepaid Insurance, Property Tax, and Related Services	<input checked="" type="checkbox"/> Daily Interest (\$24.06 per day for 15 days)	\$361
		<input checked="" type="checkbox"/> Hazard Insurance	\$489
		<input type="checkbox"/> Property Tax	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		SUBTOTAL	\$850
C	Taxes and Recording Fees		\$2,110
D	Lender Credits		
E	Estimated Closing Costs (A + B + C - D)		\$11,448
ESCROW			
F	Reserves for Future Costs	Property Taxes	\$712
		Insurance <input checked="" type="checkbox"/> Mortgage <input checked="" type="checkbox"/> Hazard <input type="checkbox"/> Other	\$483
		Assessments <input type="checkbox"/> HOA/Condo/Co-op <input type="checkbox"/> Other	
		SUBTOTAL	\$1,195
ADDITIONAL FUNDS			
G	Contributions	a. Down Payment (minus any deposit)	\$25,000
		b. Borrower Contribution	
		c. Seller Contribution	(\$3,747)
		SUBTOTAL (a + b - c)	\$21,253
H	Total Closing Costs to be Financed		
Cash Needed to Close (E + F + G - H)			\$33,896

Escrow Account

- YES, your monthly payment includes monthly taxes and insurance. See section F above.
- NO, you must pay your taxes and insurance yourself.

Important Dates

Your interest rate and points can change unless you lock the rate.
All other estimated closing costs expire at 3:00 p.m. on **07/07/2011**.

Adjustable Interest Rate Information

Index	LIBOR
Margin	2%
Maximum Interest Rate	8%
Minimum Interest Rate	3%

Limits on Interest Rate Changes

At First Change	5%
At Subsequent Changes	2%

Change Frequency

First Change: Beginning of 61st month
Subsequent Changes: Every 12th month after first change