

## Loan Estimate

**DATE ISSUED** 1/3/2012  
**APPLICANTS** James White and Jane Johnson  
 123 Anywhere Street, Apt 678  
 Anytown, TX 12345  
**PROPERTY** 456 Avenue A, Anytown, TX 12345  
**SALE PRICE** \$240,000

**LOAN TERM** 30 years  
**PURPOSE** Purchase  
**PRODUCT** 5 Year Interest Only, 5/3 Adjustable Rate  
**LOAN TYPE**  Conventional  FHA  VA  \_\_\_\_\_  
**LOAN ID #** 1330172608  
**RATE LOCK**  NO  YES, until 2/29/2012 at 3:00 p.m. CST.  
*Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 1/18/2012 at 3:00 p.m. CST.*

Loan Terms		Can this amount increase after closing?	
<b>Loan Amount</b>	\$211,000	<b>NO</b>	
<b>Interest Rate</b>	4.375%	<b>YES</b>	<ul style="list-style-type: none"> <li>• Adjusts <b>every three years</b> starting in year 6</li> <li>• Can go <b>as high as 8%</b> in year 9</li> <li>• See <b>AIR table on page 2</b> for details</li> </ul>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$769.27	<b>YES</b>	<ul style="list-style-type: none"> <li>• Adjusts <b>every three years</b> starting in year 6</li> <li>• Can go <b>as high as \$1,622</b> in year 9</li> <li>• Includes <b>interest only</b> and <b>no principal</b> until year 6</li> <li>• See <b>AP table on page 2</b> for details</li> </ul>
<b>Does the loan have these features?</b>			
<b>Prepayment Penalty</b>		<b>NO</b>	
<b>Balloon Payment</b>		<b>NO</b>	

Projected Payments				
Payment Calculation	Years 1-5	Years 6-8	Years 9-11	Years 12-30
Principal & Interest	\$769.27	\$1,233 min \$1,542 max	\$1,233 min \$1,622 max	\$1,233 min \$1,622 max
Mortgage Insurance	+ 107	+ 107	+ 107	+ —
Estimated Escrow <i>Amount Can Increase Over Time</i>	+ 533	+ 533	+ 533	+ 533
<b>Estimated Total Monthly Payment</b>	<b>\$1,409</b>	<b>\$1,873 – \$2,182</b>	<b>\$1,873 – \$2,262</b>	<b>\$1,766 – \$2,155</b>
<b>Escrow Information for Taxes, Insurance &amp; Assessments</b> <i>Amount Can Increase Over Time</i>	\$533 a month	<input checked="" type="checkbox"/> <b>Escrow.</b> Your escrow payment covers the taxes, insurance & assessments listed in Section G on page 2. You must pay for other property costs separately. <input type="checkbox"/> <b>No Escrow.</b> You must pay all of your taxes, insurance & assessments separately from your loan payments.		

Closing Costs	
<b>Estimated Cash to Close</b>	\$32,120 Closing Costs include <b>\$5,963</b> in estimated Settlement Fees. See details on page 2.

Visit [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for general information and tools.

## Closing Cost Details

### Settlement Fees

<b>A. Origination Charges</b>	<b>\$2,850</b>
% of Loan Amount (Points)	\$0
Desk Review Fee	\$150
Loan Origination Fee	\$1,000
Processing Fee	\$300
Rate Lock Fee	\$525
Underwriting Fee	\$675
Verification Fee	\$200

<b>B. Services You Cannot Shop For</b>	<b>\$820</b>
Appraisal Fee	\$305
Credit Report Fee	\$30
Flood Determination Fee	\$35
Lender's Attorney	\$400
Tax Status Research Fee	\$50

<b>C. Services You Can Shop For</b>	<b>\$2,293</b>
Pest Inspection Fee	\$125
Survey Fee	\$150
Title – Courier Fee	\$32
Title – Lender's Title Policy	\$100
Title – Owner's Title Policy	\$1,436
Title – Settlement Agent Fee	\$300
Title – Title Search	\$150

<b>D. TOTAL SETTLEMENT FEES</b>	<b>\$5,963</b>
Settlement Fees (A + B + C)	\$5,963
Lender Credits	– \$0

### Adjustable Payment (AP) Table

<b>Interest Only Payments?</b>	YES for your first 60 payments
<b>Optional Payments?</b>	NO
<b>Step Payments?</b>	NO
<b>Monthly Principal and Interest Payments</b>	
First Change/Amount	\$1,233 – \$1,542 at 61st payment
Subsequent Changes	Every three years
Maximum Payment	\$1,622 starting at 108th payment

### Settlement Costs

<b>E. Taxes and Other Government Fees</b>	<b>\$152</b>
Recording Fees and Other Taxes	\$152
Transfer Taxes	\$0

<b>F. Prepaids</b>	<b>\$1,205</b>
Homeowner's Insurance Premium ( _12_ months)	\$1,000
Mortgage Insurance Premium ( _0_ months)	\$0
Prepaid Interest (\$25.64 per day for 8 days @ 4.375%)	\$205
Property Taxes ( _0_ months)	\$0

<b>G. Initial Escrow Payment at Closing</b>	<b>\$1,600</b>
Flood Insurance	\$0 per month for 0 mo. \$0
HOA/Condo/Co-op	\$0 per month for 0 mo. \$0
Homeowner's Insurance	\$83.33 per month for 3 mo. \$250
Mortgage Insurance	\$0 per month for 0 mo. \$0
Property Taxes	\$450.00 per month for 3 mo. \$1,350

<b>H. Other Costs</b>	<b>\$200</b>
Real Estate Broker Administration Fee	\$200

<b>I. TOTAL SETTLEMENT COSTS (E + F + G + H)</b>	<b>\$3,157</b>
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<b>J. TOTAL CLOSING COSTS (D + I)</b>	<b>\$9,120</b>
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### Calculating Cash to Close

Total Closing Costs (J)	\$9,120
Closing Costs Financed (Included in Loan Amount)	\$0
Down Payment/Funds from Borrower	\$29,000
Deposit	– \$5,000
Cash to Borrower	\$0
Seller Credits	– \$1,000
Other Adjustments and Credits	\$0
<b>Estimated Cash to Close</b>	<b>\$32,120</b>

### Adjustable Interest Rate (AIR) Table

Index + Margin	LIBOR + 4%
Initial Interest Rate	4.375%
Minimum/Maximum Interest Rate	5%/8%
<b>Change Frequency</b>	
First Change	Beginning of 61st month
Subsequent Changes	Every 36th month after first change
<b>Limits on Interest Rate Changes</b>	
First Change	3%
Subsequent Changes	3%

## Additional Information About This Loan

**LENDER** Tupelo Bank  
**NMLS ID** 111111  
**LOAN OFFICER** Jimmie Gilmore  
**NMLS ID** 487493  
**EMAIL** jgilmore@tupelobank.com  
**PHONE** 111-222-3333

**MORTGAGE BROKER** Friendly Mortgage Broker Inc.  
**NMLS ID** 222222  
**LOAN OFFICER** Stevie Vaughan  
**NMLS ID** 394784  
**EMAIL** svaughan@frndlymtgbrkr.com  
**PHONE** 333-444-5555

### Comparisons

Use these measures to compare this loan with other loans.

<b>In 5 Years</b>	<b>\$58,539</b> Total you will have paid in principal, interest, mortgage insurance, and fees. <b>\$0</b> Principal you will have paid off.
<b>Annual Percentage Rate (APR)</b>	<b>5.30%</b> Your costs over the loan term expressed as a rate. This is not your interest rate.
<b>Total Interest Percentage (TIP)</b>	<b>99.01%</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

### Other Considerations

#### Appraisal

We will promptly give you a copy of any written property appraisals or valuations that you pay for, even if the loan does not close. Any appraisal we order for this loan is for our use only, even if we charge you the cost. You can choose to pay for your own appraisal of the property.

#### Assumption

If you sell or transfer this property to another person, we

will allow, under certain conditions, this person to assume this loan on the original terms.  
 will not allow this person to assume this loan on the original terms.

#### Homeowner's Insurance

This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.

#### Late Payment

If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.

#### Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

#### Servicing

We intend

to service your loan. You will make your payments to us.  
 to transfer servicing of your loan.

### Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Applicant Signature

Date