Loan Estimate Explainer

A Loan Estimate tells you important details about a mortgage loan you have requested. Use this tool to review your Loan Estimate to make sure it reflects what you discussed with the lender. If something looks different from what you expected, ask why. Request multiple Loan Estimates from different lenders so you can compare and choose the loan that's right for you.

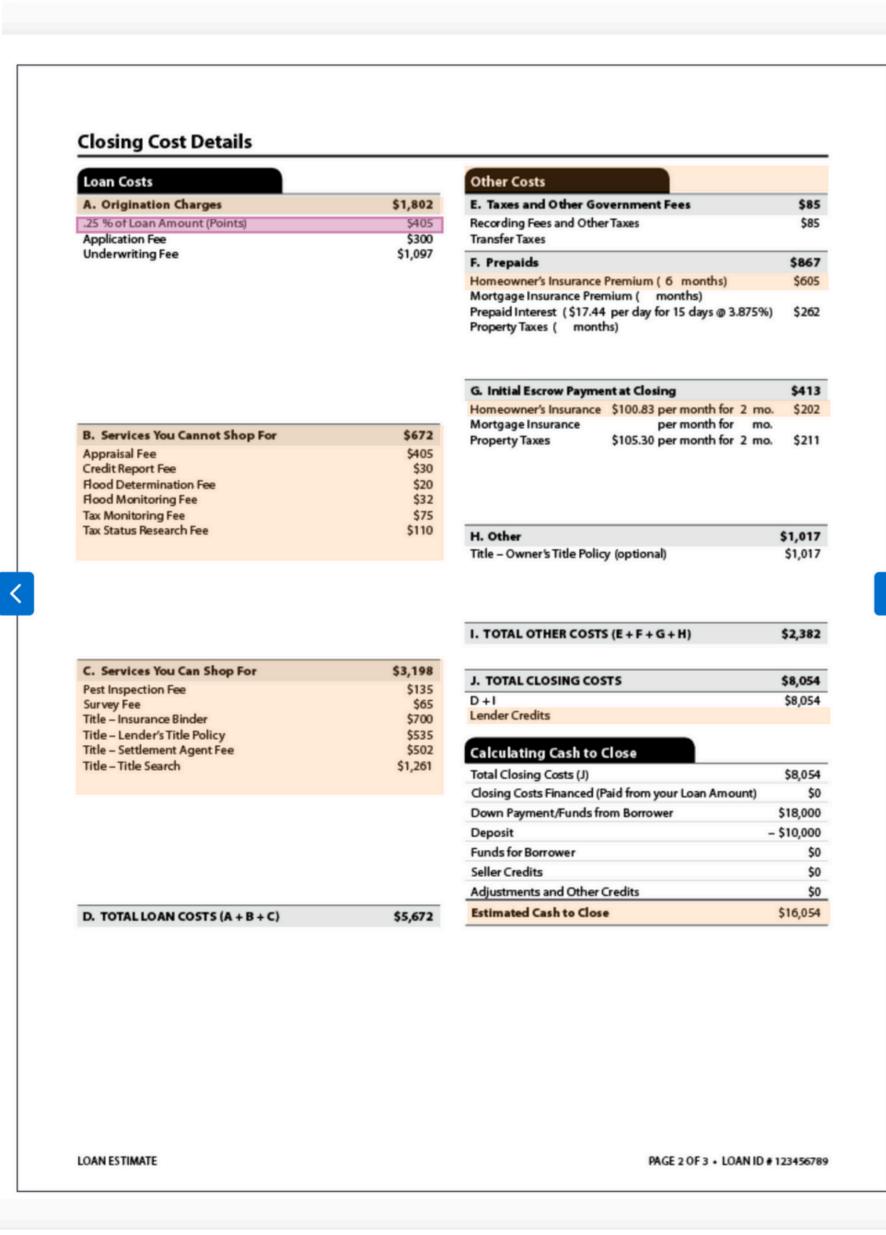
How to use the tool to review your Loan Estimate: Below you'll see the actions you should take to review your Loan Estimate and some handy definitions to know when you do.

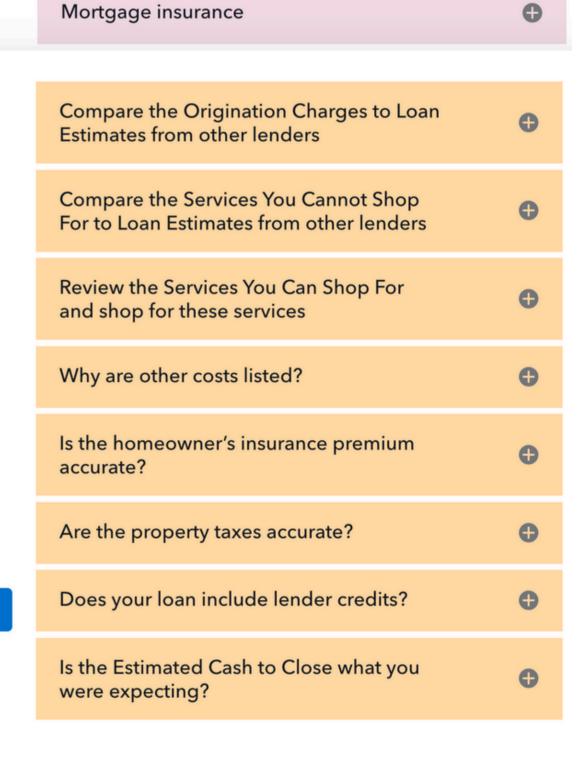


Real Estate Broker:
DANIEL ARAQUE

	Boulevard • Somecity, S	12340 Save		Save this Loa	eve this Loan Estimate to compare with your Closing Disclosure.		
DATE ISSUED 2/15/2013 APPLICANTS Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345 PROPERTY 456 Somewhere Avenue Anytown, ST 12345 SALE PRICE \$180,000				LOAN TERM PURPOSE PRODUCT LOAN TYPE LOAN ID # RATE LOCK	123450 □ NO Before of change	ase Rate ventional FHA VA	
Loan Terms				Can this amount increase after closing?			
Loan Amo	unt	\$162,000		NO			
Interest Ra	ate	3.875%		NO			
See Projected	rincipal & Interest Payments below for your tal Monthly Payment	\$761.78		NO			
Prepayment Penalty		Poes the loan have these features? YES • As high as \$3,240 if you pay off the loan during first 2 years			as \$3,240 if you pay off the loan during the		
Balloon Pa	yment			NO			
Projected	l Payments						
Payment Calculation		Years 1-7		7	Years 8-30		
Principal 8	k Interest	\$761.7		.78		\$761.78	
Mortgage	Insurance	+	82			+ -	
Estimated Amount ca	Escrow n increase overtime	+ 206				+ 206	
Estimated Monthly			\$1,050	50 \$968			
Estimated & Assessm	Taxes, Insurance ents increase over time	\$206 a month	his estimate includes Property Taxes Homeowner's Insurance Other: ee Section G on page 2 for escrowed property costs. You must pay for other roperty costs separately.				
Amount can	losing						
Amount can		\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs - \$ in Lender Credits. See page 2 for details.					
Costs at C	Closing Costs	40,034		er Credits. See	pagezn		

Do you have items in Estimated Taxes, Insurance & Assessments that are not escrowed?					
What are your estimated closing costs?					
Do you have enough cash on hand to pay your Estimated Cash to Close?					
Definitions to know					
Rate lock	•				
Fixed and adjustable interest rates	•				
If the right-hand column says "YES," your interest rat is adjustable and can change after closing. Make sur your Loan Estimate shows the type of interest rate you were expecting.					
If you have an adjustable rate, your Loan Estimate form will have additional information in the Projected Payments table on page 1 and in two additional tables at the bottom of page 2. See a sample Loan Estimate for an adjustable-rate loan.					
Learn more about the difference between fixed and adjustable rates					
Prepayment penalty	•				
Balloon payment	•				
Monthly Principal & Interest	•				





Definitions to know

Points

Points are an upfront fee that you pay to your lender in exchange for a lower interest rate than you would have paid otherwise. If there is an amount listed on this line, it means that you are paying points to the lender to reduce your interest rate. Did you discuss this choice with the lender? A similar loan may also be available without points, if you prefer. Ask the lender what other options may be available to you, and how the other options would impact your interest rate and the total cost of your loan.

Learn more about points and how they work

Are the property taxes accurate?

Property taxes are set by your local or state government, not by the lender. To avoid surprises later, check now to find out whether the lender has estimated these costs accurately. Contact your local tax authority or ask your real estate agent for more information about property taxes in your area.

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