




Loan Estimate Explainer

**Real Estate Broker :
DANIEL ARAQUE**

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? 

Rate lock	+
Fixed and adjustable interest rates	-
<p>If the right-hand column says "YES," your interest rate is adjustable and can change after closing. Make sure your Loan Estimate shows the type of interest rate you were expecting.</p> <p>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 . ↓</p> <p>Learn more about the difference between fixed and adjustable rates</p>	
Prepayment penalty	+
Balloon payment	+
Monthly Principal & Interest	+
Mortgage insurance	+

Compare the Origination Charges to Loan Estimates from other lenders	+
Compare the Services You Cannot Shop For to Loan Estimates from other lenders	+
Review the Services You Can Shop For and shop for these services	+
Why are other costs listed?	+
Is the homeowner's insurance premium accurate?	+
Are the property taxes accurate?	+
Does your loan include lender credits?	+
Is the Estimated Cash to Close what you were expecting?	+

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](#)

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.