

FIRST TIME HOME BUYERS

STEP SEVEN
COMPARING LOAN
OPTIONS

WESTCALFINANCIAL.COM

Side By Side Comparisons



Questions to Answer

- What loan types are available?
- What interest rates are available?
- How much do the different options cost?

Compare the different options side by side.

NOTE: When comparing interest rates, please remember that rates and lender pricing change every day and sometimes multiple times a day. All options must be quoted on the same day for them to be comparable.

How to Compare Loan Options

When reviewing your options, consider the following:



- 📌 Loan Type – Is it a fixed-rate, adjustable-rate, or government-backed loan?
- 📌 Interest Rate – What is the current rate, and how does it impact monthly payments?
- 📌 Loan Costs – What are the upfront and long-term costs associated with each loan?
- 📌 Lender Fees – These can include origination fees, underwriting fees, and more.
- 📌 Prepayment Penalties – Are there fees if you pay off the loan early?
- 📣 Rates change daily, so always compare loan offers on the same day to get an accurate comparison.



Understanding the Loan Estimate

When comparing loans, you'll receive a Loan Estimate (LE) from each lender. Here's what to look for:

- 📄 Loan Terms – Loan amount, interest rate, and estimated monthly payment.
- 📄 Projected Payments – Breakdown of principal, interest, and mortgage insurance (if applicable).
- 📄 Closing Costs – All fees and costs associated with obtaining the loan.
- 📄 Cash to Close – The total amount needed at closing, including your down payment and closing costs.
- 📣 Review your Loan Estimate carefully and ask questions if anything is unclear.

Loan Estimate

HOW TO REVIEW

FICUS BANK
4321 Random Boulevard • Somecity, ST 12340

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

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 30 years
PURPOSE Purchase
PRODUCT Fixed Rate
LOAN TYPE Conventional FHA VA
LOAN ID# 123456789
RATE LOCK NO YES, until 4/16/2013 at 5:00 p.m. EDT
Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO

Does the loan have these features?	
Prepayment Penalty	YES • As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment	NO

Projected Payments	Years 1-7	Years 8-30
Payment Calculation		
Principal & Interest	\$761.78	\$761.78
Mortgage Insurance	+ 82	+ —
Estimated Escrow <i>Amount can increase overtime</i>	+ 206	+ 206
Estimated Total Monthly Payment	\$1,050	\$968

Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$206 a month	This estimate includes <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>	In escrow? YES YES
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Costs at Closing	
Estimated Closing Costs	\$8,054 Includes \$5,672 in Loan Costs + \$2,382 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$16,054 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

Visit www.consumerfinance.gov/mortgage-estimate for general information and tools.

LOAN ESTIMATE PAGE 1 OF 3 • LOAN ID # 123456789

- 1 ✓ Check spelling of your name +
- 2 ✓ Check loan term, purpose, product, and loan type +
- 3 ✓ Is your rate locked? +
- 4 ✓ Check that the loan amount is what you are expecting +
- 5 ✓ Is your interest rate fixed or adjustable? +
- 6 ✓ Does your loan have a prepayment penalty? +
- 7 ✓ Does your loan have a balloon payment? +
- 8 ✓ Does your Estimated Total Monthly Payment match your expectations? +
- 9 ✓ Do you have items in Estimated Taxes, Insurance & Assessments that are not escrowed? +
- 10 ✓ Do you have enough cash on hand to pay your Estimated Cash to Close? +

Loan Estimate

HOW TO REVIEW

Closing Cost Details

Loan Costs		Other Costs		
1	A. Origination Charges	\$1,802	E. Taxes and Other Government Fees	\$85
2	.25 % of Loan Amount (Points)	\$405	Recording Fees and Other Taxes	\$85
	Application Fee	\$300	Transfer Taxes	
	Underwriting Fee	\$1,097	F. Prepaids	\$867
			Homeowner's Insurance Premium (6 months)	\$605
			Mortgage Insurance Premium (months)	
			Prepaid Interest (\$17.44 per day for 15 days @ 3.875%)	\$262
			Property Taxes (months)	
			G. Initial Escrow Payment at Closing	\$413
			Homeowner's Insurance \$100.83 per month for 2 mo.	\$202
			Mortgage Insurance per month for mo.	
			Property Taxes \$105.30 per month for 2 mo.	\$211
3	B. Services You Cannot Shop For	\$672	H. Other	\$1,017
	Appraisal Fee	\$405	Title - Owner's Title Policy (optional)	\$1,017
	Credit Report Fee	\$30		
	Flood Determination Fee	\$20		
	Flood Monitoring Fee	\$32		
	Tax Monitoring Fee	\$75		
	Tax Status Research Fee	\$110		
			I. TOTAL OTHER COSTS (E + F + G + H)	\$2,382
4	C. Services You Can Shop For	\$3,198	J. TOTAL CLOSING COSTS	\$8,054
	Pest Inspection Fee	\$135	D + I	\$8,054
	Survey Fee	\$65	Lender Credits 7	
	Title - Insurance Binder	\$700		
	Title - Lender's Title Policy	\$535		
	Title - Settlement Agent Fee	\$502		
	Title - Title Search	\$1,261		
			Calculating Cash to Close	
			Total Closing Costs (J)	\$8,054
			Closing Costs Financed (Paid from your Loan Amount)	\$0
			Down Payment/Funds from Borrower	\$18,000
			Deposit	- \$10,000
			Funds for Borrower	\$0
			Seller Credits	\$0
			Adjustments and Other Credits	\$0
			Estimated Cash to Close 8	\$16,054
	D. TOTAL LOAN COSTS (A + B + C)	\$5,672		

LOAN ESTIMATE

PAGE 2 OF 3 • LOAN ID # 123456789

- 1 ✓ Compare the Origination Charges to Loan Estimates from other lenders +
- 2 ✓ Does your loan include points? +
- 3 ✓ Compare the Services You Cannot Shop For to Loan Estimates from other lenders +
- 4 ✓ Review the Services You Can Shop For and shop for these services +
- 5 ✓ Is the homeowner's insurance premium accurate? +
- 6 ✓ Are the property taxes accurate? +
- 7 ✓ Does your loan include lender credits? +
- 8 ✓ Is the Estimated Cash to Close what you were expecting? +

Loan Estimate

HOW TO REVIEW

Additional Information About This Loan

LENDER	Ficus Bank	MORTGAGE BROKER
NMLS/___ LICENSE ID		NMLS/___ LICENSE ID
LOAN OFFICER	Joe Smith	LOAN OFFICER
NMLS/___ LICENSE ID	12345	NMLS/___ LICENSE ID
EMAIL	joesmith@ficusbank.com	EMAIL
PHONE	123-456-7890	PHONE

1

2

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$56,582	Total you will have paid in principal, interest, mortgage insurance, and loan costs.
	\$15,773	Principal you will have paid off.
Annual Percentage Rate (APR)	4.274%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.45%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Other Considerations

- Appraisal** We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.
- 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 assumption of 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. If so, 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 _____ Co-Applicant Signature _____ Date _____

LOAN ESTIMATE

PAGE 3 OF 3 • LOAN ID #123456789

- 1 ✓ Is the information about the loan officer what you were expecting? +
- 2 ✓ Use the Comparisons section to compare Loan Estimates +
- 3 ✓ How much will it cost if you make a late payment? +

Buy Your Home With Me And I'll Do Your Loan For Free!

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WEST CAL FINANCIAL HOME BUYER CREDIT

PURCHASE PRICE : \$800,000

DOWN PAYMENT : \$160,000 (20%)

LOAN AMOUNT
X LOAN COMMISSION (1.25%)
BUYER CREDIT

$\$640,000 \times 1.25\% = \$8,000$ CREDIT

If you would rather obtain a lower rate with this credit we use it to buy down the interest rate.

Contact Information

Get in Touch

ANGEL MORALES

REALTOR® - Broker Associate

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BRANDON MCGRATH

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Thank You!

WE HOPE TO HEAR FROM YOU SOON.