

“Shopping” For A Mortgage-

“Apples-To-Apples”



Sharon Neider

sharon@neidermortgage.com

NMLS 220517

One of the most important things, and I think challenging, when “shopping” for a mortgage is getting an “apples-to-apples” comparison of the estimated fees. The Loan Officer will issue you either a Fees Worksheet (exhibit 1) or a Loan Estimate (exhibit 2). If you don’t have a property picked out, due to TRID, it will probably be a Fees Worksheet. Let’s spend a few minutes talking about TRID.

So what is TRID and how does it affect the fees? TRID is the new TILA RESPA Integrated Disclosures that took effect August 1, 2015 as a result of The Financial Reform Act of 2008. It combined 2 documents, the initial Truth-in-Lending disclosure and the Good Faith Estimate, which are now the Loan Estimate. It didn’t change the fees but rather the document you’ll be issued.

To issue the Loan Estimate, we need the following 6 pieces of information:

1. Name.
2. Income.
3. Social Security Number.
4. Property Address.
5. Sales Price.
6. Loan Amount.

No matter which document you are given, the only fees that Loan Officers/Lender have control over are the LENDER FEES. I have highlighted these fees on the attached example Fees Worksheet and Loan Estimate. Following is a breakdown of each:

On Fees Worksheet:

- Loan Discount Fee
- Administrative Fee
- Appraisal Fee
- Credit Report Fee
- Processing Fee
- Document Preparation

On the Loan Estimate:

- Section A-Origination Charges
- Section B-Service You Can Shop For
- Section G-Initial Escrow Payment At Closing - months collected may vary by 1 month

One of my responsibilities as a loan officer, and one that I really enjoy, is educating my clients on all facets of the Loan process. Questions? Call me on my cell, 281-250-8344 or email me at

sharon@neidermortgage.com.

Loan Comparison

Loan Comparison For: David Homebuyer
Property Address: To Be Determined, Houston, TX
Prepared For:

Provided By: Sharon M. Neider, S.M. Neider Mortgage Consultants, Inc.
 5920 Star Ln. Houston, TX 77057
 (P) 713-355-4288/ (F) 832-645-7635

*Loan Comparison
I send with fees
worksheet. I can
compare 3 loan
programs!*

Loan Program	<i>30 Year Fixed</i>
Purchase Price	270,000
Down Payment	74.074% 200,000.00
Loan Amount	70,000
Interest Rate	3.875 %
Term/Due In(mths)	360 / 360 mths
Housing Expense	
Principal & Interest	329.17
Other Finance	
Hazard Insurance	148.33
Property Taxes	668.54
Mortgage Insurance	
Homeowner's Fee	
Other	
Total	1,146.04
Min Income Required	
Max Debt Allowable	
MIP/FF	
Estimated Closing Cost	9,774.44
Total Cash to Close	207,174.44
Subordinate Financing	
Ppd Fin Charge	1,024.72
APR	3.992 %

⌘

The Loan Comparison above is presented as an estimate of three possible mortgage scenarios. This is not a loan commitment, nor is it a guarantee of any kind. This comparison is based solely on estimated figures and information available at the time of preparation.



Your actual rate, payment, and cost could be higher. Get an official Loan Estimate before choosing a loan.

FEES WORKSHEET
Summary of Transaction Details

Send THIS TOO!

Applicants: **David Homebuyer**
Prepared By: **S.M. Neider Mortgage Consultants, Inc. Ph. 713-355-4288**
5920 Star Ln., Houston, TX 77057

Application No:
Date Prepared:
Loan Program: **30 Year Fixed**

This "Fees Worksheet" is provided for informational purposes ONLY, to assist you in determining an estimate of cash that may be required to close and an estimate of your proposed monthly mortgage payment. Actual charges may be more or less, and your transaction may not involve a fee for every item listed.

Total Loan Amount:	70,000.00	Interest Rate:	3.875 %	Term/Due In:	360 / 360
Purchase Price/Payoff				\$	270,000.00
Estimated Prepaid Items/Reserves		(+)		\$	4,260.29
Estimated Closing Costs		(+)		\$	5,484.75
Discount		(+)		\$	29.40
Total Loan Amount		(-)		\$	70,000.00
CASH DEPOSIT ON SALES CONTRACT		(-)		\$	2,500.00
OTHER		(-)		\$	100.00

Your Down Payment is:		\$	200,000.00
Total Cash From Borrower	(=)	\$	207,174.44

Total Estimated Monthly Payment				
Principal & Interest		\$	329.17	
Other Financing	(+)			
Hazard Insurance	(+)	\$	148.33	
Real Estate Taxes	(+)	\$	668.54	
Mortgage Insurance	(+)			
HOA Dues	(+)			
Other	(+/-)			
Total Monthly Payment	(=)	\$	1,146.04	

Your actual rate, payment, and cost could be higher. Get an official Loan Estimate before choosing a loan.

FEES WORKSHEET

Fee Details

Exhibit #2

Applicants: **David Homebuyer**
 Prepared By: **S.M. Neider Mortgage Consultants, Inc. Ph. 713-355-4288**
5920 Star Ln., Houston, TX 77057

Application No:
 Date Prepared:
 Loan Program: **30 Year Fixed**

This "Fees Worksheet" is provided for informational purposes ONLY, to assist you in determining an estimate of cash that may be required to close and an estimate of your proposed monthly mortgage payment. Actual charges may be more or less, and your transaction may not involve a fee for every item listed.

Total Loan Amount: **\$ 70,000** Interest Rate: **3.875 %** Term/Due In: **360 / 360 mths**

Estimated Settlement Charges	
TOTAL ESTIMATED SETTLEMENT CHARGES PAID AT CLOSING	\$9,774.44


Fees	Paid To	Paid By (Fee Split**)	Amount	PFC / F / POC
ORIGINATION CHARGES				
Loan Discount Fee		Borrower	0.042%	\$ 29.40
Administrative Fee	Funding Lender	Borrower		\$ 925.00
OTHER CHARGES				
Appraisal Fee	AMC	Borrower		\$ 575.00
Credit Report Fee	Neider Mortgage	Borrower		\$ 45.00
Flood Certification Fee	Funding Lender	Borrower		\$ 12.00
Processing Fee	Bernius Processing	Borrower		\$ 362.75
Document Preparation		Borrower		\$ 200.00
Closing/Escrow Fee	Title Company	Borrower		\$ 395.00 ✓
Lender's Title Insurance		Borrower		\$ 1,817.00
E Recording	Title Company	Borrower		\$ 15.00
Guaranty		Borrower		\$ 3.00
Courier Fee	Title Company	Borrower		\$ 35.00
Endorsements	Title Company	Borrower		\$ 250.00
Survey		Borrower		\$ 450.00 ✓
Mortgage Recording Charge		Borrower		\$ 150.00 ✓
Daily Interest Charges	Funding Lender	Borrower	\$ 7.43 x 4 day(s)	\$ 29.72 ✓
Hazard Insurance Premium	Insurance Company	Borrower	\$ 148.33 x 12 mth(s)	\$ 1,779.96
Hazard Insurance Reserves	Funding Lender	Borrower	\$ 148.33 x 3 mth(s)	\$ 444.99
County Property Tax Reserves	Funding Lender	Borrower	\$ 668.54 x 3 mth(s)	\$ 2,005.62
Owner's Title Insurance		Borrower		\$ 250.00

* PFC = Prepaid Finance Charge F = FHA Allowable Closing Cost POC = Paid Outside of Closing
 ** B = Borrower S = Seller Br = Broker L = Lender TP = Third Party C = Correspondent

Exhibit #2

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED 
 APPLICANTS David Homebuyer

LOAN TERM 30 years
 PURPOSE Purchase
 PRODUCT Fixed Rate
 LOAN TYPE Conventional FHA VA _____
 LOAN ID #
 RATE LOCK NO YES, until

PROPERTY 1234 Dream Home Blvd.
 Houston, TX 77007
 SALE PRICE \$270,000

Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on

Loan Terms		Can this amount increase after closing?
Loan Amount	\$70,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$329.17	NO
Does the loan have these features?		
Prepayment Penalty		NO
Balloon Payment		NO

Projected Payments	
Payment Calculation	Years 1-30
Principal & Interest	\$329.17
Mortgage Insurance	+ 0
Estimated Escrow <i>Amount can increase over time</i>	+ 0
Estimated Total Monthly Payment	\$329.17
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i>	\$817 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? NO NO

Costs at Closing	
Estimated Closing Costs	\$9,775 Includes \$5,114 in Loan Costs + \$4,661 in Other Costs - \$0 in Lender Credits. See page 2 for details.
Estimated Cash to Close	\$209,775 Includes Closing Costs. See Calculating Cash to Close on page 2 for details.

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

Closing Cost Details

Loan Costs

A. Origination Charges	\$954
0.042 % of Loan Amount (Points)	\$29
Administrative Fee	\$925

B. Services You Cannot Shop For

Appraisal Fee	\$575
Credit Report	\$45
Document Preparation	\$200
Flood Certification	\$12
Processing Fee	\$363

C. Services You Can Shop For

Courier Fee	\$35
E Recording	\$15
Endorsements	\$250
Guaranty	\$3
Survey	\$450
Title - Closing/Escrow Fee	\$395
Title - Lender's Title Insurance	\$1,817

D. TOTAL LOAN COSTS (A + B + C)

\$5,114

Other Costs

E. Taxes and Other Government Fees	\$150
Recording Fees and Other Taxes	\$150
Transfer Taxes	

F. Prepays

\$1,810

Homeowner's Insurance Premium (12 months)	\$1,780
Mortgage Insurance Premium (months)	
Prepaid Interest (\$7.43 per day for 4 days @ 3.875 %)	\$30
Property Taxes (months)	

G. Initial Escrow Payment at Closing

\$2,451

Homeowner's Insurance	\$148.33 per month for 3 mo.	\$445
Mortgage Insurance	per month for mo.	
Property Taxes	\$668.54 per month for 3 mo.	\$2,006

H. Other

\$250

Title - Owner's Title Insurance (optional)	\$250
--------------------------------------------	-------

I. TOTAL OTHER COSTS (E + F + G + H)

\$4,661

J. TOTAL CLOSING COSTS

\$9,775

D + I	\$9,775
Lender Credits	

Calculating Cash to Close

Total Closing Costs (J)	\$9,775
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$200,000
Deposit	\$0
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
Estimated Cash to Close	\$209,775

Additional Information About This Loan

LENDER	MORTGAGE BROKER	S.M. Neider Mortgage Consultants, Inc.
NMLS / ___ LICENSE ID	NMLS / ___ LICENSE ID	220487
LOAN OFFICER	LOAN OFFICER	SHARON NEIDER
NMLS / ___ LICENSE ID	NMLS / ___ LICENSE ID	220517
EMAIL	EMAIL	sharon@neidermortgage.com
PHONE	PHONE	281-250-8344

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years	\$24,894 \$6,816	Total you will have paid in principal, interest, mortgage insurance, and loan costs. Principal you will have paid off.
Annual Percentage Rate (APR)	3.992%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	69.326%	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 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