



Actual Case Study

11/16/18

Background: Borrower's were referred to this lender, *we are going to keep their name quiet, as to not embarrass them too much*, after closing their 1st home with them. Borrowers were concern that they were not getting a good deal, and asked 1st Choice Mortgage for a 2nd look. Here are the actual loan estimates from the other lender and 1st Choice Mortgage:

Them

1st Choice Mortgage

Loan Terms		Can this amount increase after closing?
Loan Amount	\$299,669	NO
Interest Rate	5.25 %	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$1,654.78	NO
Prepayment Penalty		Does the loan have these features? NO
Balloon Payment		NO

Loan Terms		Can this amount increase after closing?
Loan Amount	\$295,075	NO
Interest Rate	4.468%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$1,489.50	NO
Prepayment Penalty		Does the loan have these features? NO
Balloon Payment		NO

Closing Cost Details

Loan Costs	
A. Origination Charges	\$3,840
% of Loan Amount (Points)	
Administration Fee	\$895
Origination Fee	\$2,945

Closing Cost Details

Loan Costs	
A. Origination Charges	\$995
% of Loan Amount (Points)	
UNDERWRITING FEE	\$995

Comparisons	Use these measures to compare this loan with other loans.
In 5 Years	\$123,326 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$23,525 Principal you will have paid off.
Annual Percentage Rate (APR)	6.161 % Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	99.053 % The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

Comparisons	Use these measures to compare this loan with other loans.
In 5 Years	\$110,772 Total you will have paid in principal, interest, mortgage insurance, and loan costs. \$26,222 Principal you will have paid off.
Annual Percentage Rate (APR)	5.224% Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	82.028% The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

The results: Our borrower have a lower loan amount, a significant lower interest rate, no origination fee, and over the life of the loan will pay .937% less in APR., oh, and they are **saving \$165.28 per month** in mortgage payment. All other items are an identical FHA Home Purchase. Mortgage Brokers ARE Better, REALLY!

It paid for these borrowers to have a 1st Choice Mortgage take a



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