



Actual Case Study

02/18/2019

Background: Borrower's were referred to this lender, *we are going to keep their name quiet, as to not embarrass them too much*, for a cash out refinance, Borrowers ask a Realtor for help, that Realtor asked 1st Choice Mortgage for a 2nd look.

Here are the actual Loan Estimate from the other lender versus 1st Choice Mortgage:

Them

Loan Terms		Can this
Loan Amount	\$207,570	NO
Interest Rate	4.375%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$1,036.37	NO
Prepayment Penalty		Does the
		NO
Balloon Payment		NO

Closing Cost Details

Loan Costs	
A. Origination Charges	\$4,927
1.75% of Loan Amount (Points)	\$3,632
Lender Doc Prep	\$1,295
B. Services You Cannot Shop For	\$4,160
Appraisal Fee	\$590
Up-Front Mortgage Insurance Premium	\$3,570
C. Services You Can Shop For	\$2,048
Title - Closing Protection Letter	\$25
Title - Courier Fee	\$25
Title - Document Preparation	\$25
Title - E-File Fee	\$9
Title - Endorsement Fee	\$50
Title - Lender's Title Policy	\$1,259
Title - Reconveyance Fee	\$80
Title - Settlement Agent Fee	\$550

Annual Percentage Rate (APR)	5.319%
Total Interest Percentage (TIP)	80.018%

1st Choice Mortgage

Loan Terms		Can this
Loan Amount	\$207,570	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$976.08	NO
Prepayment Penalty		Does th
		NO
Balloon Payment		NO

Closing Cost Details

Loan Costs	
A. Origination Charges	\$995
% of Loan Amount (Points)	
UNDERWRITING FEE	\$995
B. Services You Cannot Shop For	\$4,208
APPRAISAL FEE	\$545
FHA UFMIP	\$3,570
FLOOD CERTIFICATION	\$8
TAX SERVICE	\$85
C. Services You Can Shop For	\$1,297
TITLE - CLOSING PROTECTION LETTER FEE	\$25
TITLE - ENDORSEMENT FEE	\$50
TITLE - PREMIUM FOR LENDER'S COVERAGE	\$977
TITLE - RECORDING FEE	\$45
TITLE - SETTLEMENT OR CLOSING FEE	\$200

Comparisons	Use these m
In 5 Years	\$73,398
	\$20,210
Annual Percentage Rate (APR)	4.613%
Total Interest Percentage (TIP)	69.549%

The results: Our borrower have significant less closing costs, No junk Fees, lower title fees, lower appraisal fee, and over the life of the loan will pay .706% less in APR. AND Pay \$60.29 less PER MONTH. All other items are an identical FHA, Cash Out Refinance. Mortgage Brokers ARE Better, REALLY!

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

