



# Actual Case Study

01/18/2023

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

## Them

Loan Terms		Can this amount increase
Loan Amount	\$477,000	NO
Interest Rate	6.5 %	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$3,014.96	NO
Prepayment Penalty		Does the loan have these NO
Balloon Payment		NO

## 1st Choice Mortgage

Loan Terms		Can this amount increase
Loan Amount	\$477,000	NO
Interest Rate	6.314%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$2,956.85	NO
Prepayment Penalty		Does the loan have these NO
Balloon Payment		NO

## Closing Cost Details

Loan Costs	
<b>A. Origination Charges</b>	<b>\$9,343</b>
1.75 % of Loan Amount (Points)	\$8,348
Loan Administration	\$995

## Closing Cost Details

Loan Costs	
<b>A. Origination Charges</b>	<b>\$1,055</b>
% of Loan Amount (Points)	
Underwriting Fee	\$1,055

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$202,739	Total you will have paid in principal, interest, mortgage insurance, and other fees.
	\$30,475	Principal you will have paid off.
Annual Percentage Rate (APR)	6.933 %	Your costs over the loan term expressed as a rate. The APR includes the interest rate and the points.
Total Interest Percentage (TIP)	128.008 %	The total amount of interest that you will pay over the life of the loan expressed as a percentage of your loan amount.

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$186,550	Total you will have paid in principal, interest, mortgage insurance, and other fees.
	\$31,443	Principal you will have paid off.
Annual Percentage Rate (APR)	6.439%	Your costs over the loan term expressed as a rate. The APR includes the interest rate and the points.
Total Interest Percentage (TIP)	123.627%	The total amount of interest that you will pay over the life of the loan expressed as a percentage of your loan amount.

The results: Our borrower have a lower monthly payment, a significant lower interest rate, no points, SAVING them \$8348, and over the life of the loan will pay .494% less in APR., oh, and they are saving \$58.11 per month in mortgage payment. All other items are an identical Conventional Home Purchase. Mortgage Brokers ARE Better, REALLY!

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



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