

Background: Borrower's were told to go to the lender, as they had the best deals. *We are going to keep their names quiet, as to not to embarrass them too much.* Borrower decided to shop around.

Below is actual Loan Estimates from other Lender and 1st Choice Mortgage.

### Them

### 1st Choice Mortgage

Loan Terms		Can th
Loan Amount	\$450,000	NO
Interest Rate	5%	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$2,415.70	NO
Prepayment Penalty		Does t NO
Balloon Payment		NO

SALE PRICE \$950,000

Loan Terms		Can this am
Loan Amount	\$450,000	NO
Interest Rate	4.625 %	NO
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	\$2,313.63	NO
Prepayment Penalty		Does the loa NO
Balloon Payment		NO

### Loan Costs

A. Origination Charges	\$17,326
3.616% of Loan Amount (Points)	\$16,271
Underwriting Fee	\$1,055

### B. Services You Cannot Shop For \$2,163

Appraisal Fee	\$650
Credit Report	\$150
Electronic Registration (MERS) Fee	\$25
Final Inspection Fee	\$200
Flood Certification	\$8
Tax Service	\$85
Third Party Processing Fee	\$985
Verification of Employment Fee	\$60

### Loan Costs

A. Origination Charges	\$19,519
3.429 % of Loan Amount (Points)	\$15,431
Broker Fee	\$2,993
Closing Fee	\$140
Underwriting Fees	\$955

### B. Services You Cannot Shop For \$762

Appraisal Fee	\$700
Credit Report Fee	\$62

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$166,871 \$36,771	Total you will have paid in principal, interest, mortgage insurance, and loan costs. Principal you will have paid off.
Annual Percentage Rate (APR)	5.388%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	93.461%	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	\$161,712 \$39,018	Total you will have paid in principal, interest, mortgage insurance, and loan costs. Principal you will have paid off.
Annual Percentage Rate (APR)	5.043 %	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	85.28 %	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

The Results: Borrower have significantly less less monthly mortgage payment, saving them \$102.07 per month, and significantly lower APR 5.043% vs 5.388%. Seller credited borrower for the Rate Buydown. In this case it was Better for the borrower to get a 2nd look!

Brokers shop mortgage around, because Brokers ARE Better!