

YUCCA BANK

4321 Random Boulevard • Somecity, NM 54321

DATE ISSUED 10/17/2011

LOAN ID # 1330172608

Your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on **10/31/2011** at 3:00 p.m. MDT.

Loan Estimate

APPLICANTS James White and Jane Johnson
PROPERTY 456 Avenue A, Anytown, NM 12345

LOAN TERM 30 years
PURPOSE Purchase
PRODUCT 3/3 Adjustable Rate
LOAN TYPE Conventional FHA VA _____

Loan Terms		Can this amount increase after closing?	
Loan Amount	\$162,000	NO	
Interest Rate	3.5% for 3 years	YES	<ul style="list-style-type: none"> • Adjusts every 3 years starting in year 4 • Can go as high as 6% in year 7 • See AIR table on page 2 for details
Monthly Principal & Interest <i>See Projected Payments Below for Your Total Monthly Payment</i>	\$727.46	YES	<ul style="list-style-type: none"> • Adjusts every 3 years starting in year 4 • Can go as high as \$947 in year 7
		Does the loan have these features?	
Prepayment Penalty		NO	
Balloon Payment		NO	

Projected Payments				
Payment Calculation	Years 1-3	Years 4-6	Years 7-9	Years 10-30
Principal & Interest	\$727.46	\$707 min \$904 max	\$707 min \$947 max	\$707 min \$947 max
Mortgage Insurance	+ 82	+ 82	+ 82	—
Estimated Taxes & Insurance <i>Amount Can Increase Over Time</i>	+ 0	+ 0	+ 0	+ 0
Estimated Total Monthly Payment	\$809	\$789–\$986	\$789–\$1,029	\$707–\$947
Escrow Information for Estimated Taxes & Insurance	\$212 a month	<input type="checkbox"/> Escrow. Your monthly payment includes your taxes and insurance. <input checked="" type="checkbox"/> No escrow. You must pay your taxes and insurance separately from your loan payments.		

Closing Costs	
Estimated Cash to Close	\$15,039 Includes \$6,080 in estimated settlement costs. See details on page 2.

Calculating Settlement Costs

A. Origination Charges	\$1,305
.25 Points %	\$405
Processing Fee	\$100
Underwriting Fee	\$600
Verification Fee	\$200

B. Services You Cannot Shop For

B. Services You Cannot Shop For	\$475
Credit Report Fee	\$5
Appraisal Fee	\$425
Tax Status Research Fee	\$30
Flood Determination Fee	\$15

C. Services You Can Shop For

C. Services You Can Shop For	\$4,300
Survey Fee	\$75
Pest Inspection Fee	\$125
Settlement Agent Fee	\$473
Title – Search	\$800
Title – Examination	\$1,377
Title – Lender's Policy	\$500
Title – Owner's Policy (optional)	\$950

Calculating Cash to Close

D. Taxes and Other Government Fees	\$85
Transfer Taxes	\$0
Recording Fees	\$85
Other Taxes and Government Fees	\$0

E. Prepaids

E. Prepaids	\$874
Property Taxes (<u>0</u> months)	\$0
Homeowner's Insurance Premium (<u>6</u> months)	\$638
Mortgage Insurance Premium (<u>0</u> months)	\$0
Prepaid Interest (\$15.75 per day for 15 days @ 3.50%)	\$236

F. Initial Escrow Payment at Closing

Taxes & Assessments	\$0	per month for 0 mo.	\$0
Homeowner's Insurance	\$0	per month for 0 mo.	\$0
Mortgage Insurance	\$0	per month for 0 mo.	\$0
Flood Insurance	\$0	per month for 0 mo.	\$0
HOA/Condo/Co-op	\$0	per month for 0 mo.	\$0

Limits on Increases: Generally, charges in A and Transfer Taxes in D cannot increase, and the total of the charges in B, C, and Recording Fees in D cannot increase by more than 10%. We will notify you if a change causes an increase above these limits.

Calculation**Calculation**

A + B + C	\$6,080
Lender Credits	-\$0
Estimated Settlement Costs	\$6,080

Estimated Settlement Costs (A + B + C – Lender Credits)	\$6,080
D + E + F	\$959
Down Payment/Funds from Borrower	\$18,000
Deposit	-\$10,000
Cash to Borrower	-\$0
Seller Credits	-\$0
Other Credits and Adjustments	-\$0
Closing Costs to be Financed	-\$0
Estimated Cash to Close	\$15,039

Adjustable Interest Rate (AIR) Table

Index + Margin	MTA + 3%
Initial Interest Rate	3.5%
Minimum/Maximum Interest Rate	3.25% / 6%
Limits on Interest Rate Changes	
First Change	2%
Subsequent Changes	2%
Change Frequency	
First Change	Beginning of 37th month
Subsequent Changes	Every 36th month after first change

LOAN OFFICER Joe Smith
PHONE 555-123-4444
EMAIL joesmith@yuccabank.com
NMLS ID 767698

CREDITOR Yucca Bank
NMLS ID 989897

LOAN ID # 1330172608

Additional Information About This Loan

Comparisons

Use these measures to compare this loan with other loans.

In 5 Years	\$54,153	Total you will have paid in principal, interest, mortgage insurance, and fees.
	\$16,950	Principal you will have paid off.
Annual Percentage Rate (APR)	3.69%	This is not your interest rate. This rate expresses your costs over the loan term.
Total Interest Percentage (TIP)	57.5%	This rate is the total amount of interest that you will pay over the loan term as a percentage of your loan amount.
Lender Cost of Funds (LCF)	1.04%	The rate the lender pays to borrow money to lend you.

Other Considerations

Late Payment If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.

Servicing We intend to service your loan. You will make your payments to us.
 We intend to transfer servicing of your loan.

Assumption If you sell or transfer your house to another person, we
 will allow, under certain conditions, this person to assume this loan on the original terms.
 will not allow this person to assume this loan on the original terms.

Appraisals We will promptly give you a copy of any written property appraisals or valuations you pay for, even if the loan does not close.

Refinance We do not guarantee that you will be able to refinance your loan to lower your interest rate and payments in the future.

Verify Receipt

You do not have to accept this loan because you received this disclosure, signed a loan application, or sign below.

Applicant Signature

Date

Co-Applicant Signature

Date