

Prepared For: **Jerome Jumbo**
123 Jumbo Street Suburban, MN 22222

SUMMARY

	Program Name	Current Mortgage	30 Yr Fixed	7/1 ARM Jum	5/1 ARM Jum
1ST MTG.	Loan Amount	\$640,000	\$640,000	\$640,000	\$640,000
	Interest Rate	6%	5%	3.875%	3.25%
	Term (months)	312	360	360	360
	Payment	\$4,056	\$3,436	\$3,010	\$2,785
	Mtg. Ins.	\$0	\$0	\$0	\$0
	Monthly Pmt.	\$4,056	\$3,436	\$3,010	\$2,785
	Net Savings	\$0	\$620	\$1,046	\$1,270

SUMMARY

This Section overviews your monthly payments for each prospective Mortgage Plan. Please note, the payments shown do not include any Escrows that may be collected with your payment.

Current value \$800,000, appreciation assumption 2%

TOTAL COST ANALYSIS

	Program Name	Current Mortgage	30 Yr Fixed	7/1 ARM Jum	5/1 ARM Jum
60 MONTHS ANALYSIS	Total Payment	\$243,332	\$206,140	\$180,571	\$167,052
	Principal Paid	\$59,691	\$52,296	\$62,313	\$68,476
	Int & MI Paid	\$183,641	\$153,843	\$118,259	\$98,577
	Balance Left	\$580,309	\$587,704	\$577,687	\$571,524
	Closing & Points	\$0	\$7,200	\$7,200	\$7,200
	Total Cost	\$183,641	\$161,043	\$125,459	\$105,777
	Net Savings	\$0	\$22,598	\$58,183	\$77,865

TOTAL COST ANALYSIS

One of the most important metrics to consider when selecting the right Mortgage Plan for you, is how long you plan on living in the home or what is your loan retention time going to be. The table on the left compares the true total cost of each mortgage plan based on a pre determined comparison period.

ACCUMULATION vs. REDUCTION

	Program Name	Current Mortgage	30 Yr Fixed	7/1 ARM Jum	5/1 ARM Jum
10 YEARS	Opening Balance	\$0	N/A	N/A	N/A
	Monthly Amount	\$0	\$0	\$0	\$0
	Rate of Return	0%	N/A	N/A	N/A
	Home Value	\$975,196	\$975,196	\$975,196	\$975,196
	Loan Balance	\$499,796	\$520,589	\$497,152	\$488,950
	Equity	\$475,400	\$454,606	\$478,044	\$486,246
	Accum. Total	\$0	N/A	N/A	N/A
15 YEARS	Net Worth	\$475,400	\$454,606	\$478,044	\$486,246
	Home Value	\$1,076,695	\$1,076,695	\$1,076,695	\$1,076,695
	Loan Balance	\$391,195	\$434,457	\$399,487	\$392,896
	Equity	\$685,500	\$642,238	\$677,208	\$683,799
	Accum. Total	\$0	N/A	N/A	N/A
	Net Worth	\$685,500	\$642,238	\$677,208	\$683,799
	Freedom Point	26.00 yrs.	30.00 yrs.	30.00 yrs.	30.00 yrs.

ACCUMULATION vs. REDUCTION

Different mortgage strategies can create different results. The illustration to the left compares 2 unique strategies. One strategy assumes prepaying your mortgage, the other shows investing in some type of investment vehicle TBD by your financial advisor.

Based on the assumptions in this analysis the Mortgage Plan in column titled '5/1 ARM Jum' has the potential to create the most wealth for your situation in 10 yrs.

Based on the assumptions in this analysis the Mortgage Plan in column titled 'Current Mortgage' has the potential to create the most wealth for your situation in 15 yrs. The plan in column titled 'Current Mortgage' will help you reach your Freedom Point the soonest.

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TOTAL COST ANALYSIS

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October 1, 2010

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123 Jumbo Street Suburban, MN 22222

PROGRAM DETAILS

	Current Mortgage		30 Yr Fixed		7/1 ARM Jum		5/1 ARM Jum	
	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg
Value	\$800,000		\$800,000		\$800,000		\$800,000	
Equity (%)	20.000 %		20.000 %		20.000 %		20.000 %	
Loan Amount	\$640,000		\$640,000		\$640,000		\$640,000	
Loan Type	Fixed		Fixed		ARM		ARM	
Interest Rate	6.000 %		5.000 %		3.875 %		3.250 %	
Term	312		360		360		360	
Closing	\$0		\$7,200		\$7,200		\$7,200	
Points	0.000 %		0.000 %		0.000 %		0.000 %	
APR	6.000 %		5.099 %		3.510 %		3.192 %	
Principal & Int.	\$4,056		\$3,436		\$3,010		\$2,785	
Mtg. Ins.	\$0		\$0		\$0		\$0	
Total P&I	\$4,056		\$3,436		\$3,010		\$2,785	
Index					0.778 %		0.778 %	
Margin					2.250 %		2.250 %	
LifeCap					5.000 %		5.000 %	
Scenario					Best		Best	
First Adj Cap					5.000 %		5.000 %	
First Adj Mos					84		60	
Adj Cap					2.000 %		2.000 %	
Adj Month					12		12	
HOA	\$0		\$0		\$0		\$0	
Haz Ins.	\$240		\$240		\$240		\$240	
Prop Taxes	\$833		\$833		\$833		\$833	
Other	\$0		\$0		\$0		\$0	
Pymt. Adjust.								
Adj Cap %								
Adj Cap (Mos)								
Recast Prd/Stop								
Max Balance								
PITI	\$5,129		\$4,509		\$4,083		\$3,859	
Term Reduction	\$0		\$0		\$0		\$0	
Total PITI	\$5,129		\$4,509		\$4,083		\$3,859	
Mo. Asset Accu.	\$0		\$0		\$201		\$256	
Asset Accum. Int. Rate	0.000 %		0.000 %		6.000 %		6.000 %	
Asset Accum. Open	\$0		\$0		\$0		\$0	

NOTICE AND DISCLAIMER : The results above are based on (i) information provided by you, (ii) estimates of interest rates, your ability to save, your tax bracket, closing costs and other amounts, (iii) currently available loan programs and (iv) information and assumptions discussed with your advisor; all of which might change over time. If the information or assumptions are not correct or change, then the results above will change. Your advisor will provide additional information about costs, fees and other information required by state and federal law.

