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TOTAL COST ANALYSIS

Prepared by Peter Boyle
 June 19, 2010

Prepared For: **Caren Conforming**
 123 FHA Conventional Street Suburban, MN 11111

SUMMARY

Program Name	FHA Fixed	Conv 5% Dn	Conv. 10% Dn	Con 20% Dn
1ST MTG. Loan Amount	\$241,250	\$237,500	\$225,000	\$200,000
Interest Rate	4.75%	4.75%	4.75%	4.75%
Term (months)	360	360	360	360
Payment	\$1,258	\$1,239	\$1,174	\$1,043
Mtg. Ins.	\$111	\$154	\$120	\$0
Monthly Pmt.	\$1,369	\$1,393	\$1,294	\$1,043
Net Savings	\$24	\$0	\$100	\$350
Total Cash To Close	\$15,750	\$19,200	\$31,600	\$56,300

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 \$250,000, appreciation assumption 2%

TOTAL COST ANALYSIS

Program Name	FHA Fixed	Conv 5% Dn	Conv. 10% Dn	Con 20% Dn
120 MONTHS ANALYSIS Total Payment	\$162,959	\$164,416	\$149,845	\$125,195
Principal Paid	\$46,507	\$45,784	\$43,375	\$38,555
Int & MI Paid	\$116,452	\$118,631	\$106,470	\$86,640
Balance Left	\$194,743	\$191,716	\$181,625	\$161,445
Closing & Points	\$7,000	\$6,700	\$6,600	\$6,300
Total Cost	\$123,452	\$125,331	\$113,070	\$92,940
Net Savings	\$1,880	\$0	\$12,261	\$32,391

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	FHA Fixed	Conv 5% Dn	Conv. 10% Dn	Con 20% Dn
10 YEARS Opening Balance	\$40,550	\$37,100	\$24,700	\$0
Monthly Amount	\$24	\$0	\$100	\$350
Rate of Return	6%	6%	6%	6%
Home Value	\$304,749	\$304,749	\$304,749	\$304,749
Loan Balance	\$194,743	\$191,716	\$181,625	\$161,445
Equity	\$110,006	\$113,033	\$123,123	\$143,304
Accum. Total	\$77,710	\$67,500	\$61,327	\$57,358
15 YEARS Net Worth	\$187,715	\$180,532	\$184,450	\$200,662
Home Value	\$336,467	\$336,467	\$336,467	\$336,467
Loan Balance	\$161,793	\$159,278	\$150,895	\$134,129
Equity	\$174,675	\$177,189	\$185,572	\$202,339
Accum. Total	\$106,493	\$91,047	\$89,698	\$101,787
Net Worth	\$281,168	\$268,236	\$275,270	\$304,125
Freedom Point	18.58 yrs.	19.75 yrs.	19.08 yrs.	16.92 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 'Con 20% Dn' 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 'Con 20% Dn' has the potential to create the most wealth for your situation in 15 yrs. The plan in column titled 'Con 20% Dn' will help you reach your Freedom Point the soonest.



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PROGRAM DETAILS

	FHA Fixed		Conv 5% Dn		Conv. 10% Dn		Con 20% Dn	
	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg
Value	\$250,000		\$250,000		\$250,000		\$250,000	
Equity (%)	3.500 %		5.000 %		10.000 %		20.000 %	
Loan Amount	\$241,250		\$237,500		\$225,000		\$200,000	
Loan Type	Fixed		Fixed		Fixed		Fixed	
Interest Rate	4.750 %		4.750 %		4.750 %		4.750 %	
Term	360		360		360		360	
Closing	\$7,000		\$6,700		\$6,600		\$6,300	
Points	0.000 %		0.000 %		0.000 %		0.000 %	
APR	4.999 %		4.992 %		5.002 %		5.021 %	
Principal & Int.	\$1,258		\$1,239		\$1,174		\$1,043	
Mtg. Ins.	\$111		\$154		\$120		\$0	
Total P&I	\$1,369		\$1,393		\$1,294		\$1,043	
Index								
Margin								
LifeCap								
Scenario								
First Adj Cap								
First Adj Mos								
Adj Cap								
Adj Month								
HOA	\$0		\$0		\$0		\$0	
Haz Ins.	\$111		\$111		\$111		\$111	
Prop Taxes	\$313		\$313		\$313		\$313	
Other	\$0		\$0		\$0		\$0	
Pymt. Adjust.								
Adj Cap %								
Adj Cap (Mos)								
Recast Prd/Stop								
Max Balance								
PITI	\$1,792		\$1,817		\$1,717		\$1,467	
Term Reduction	\$0		\$0		\$0		\$0	
Total PITI	\$1,792		\$1,817		\$1,717		\$1,467	
Mo. Asset Accu.	\$24		\$0		\$100		\$350	
Asset Accum. Int. Rate	6.000 %		6.000 %		6.000 %		6.000 %	
Asset Accum. Open	\$40,550		\$37,100		\$24,700		\$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.

