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# TOTAL COST ANALYSIS

Prepared by Peter Boyle  
 June 19, 2010

Prepared For: **Frank First Time Buyer**  
 123 Low Down Payment Ave Central, MN 00000

## SUMMARY

	Program Name	Conv 5% Dn	FHA 3.5%	CASA	CASA HH
1ST MTG.	Loan Amount	\$142,500	\$144,750	\$144,750	\$144,150
	Interest Rate	4.75%	4.75%	4.875%	4.875%
	Term (months)	360	360	360	360
	Payment	\$743	\$755	\$766	\$763
	Mtg. Ins.	\$93	\$66	\$66	\$66
2ND MTG.	Loan Amount	\$0	\$0	\$5,000	\$10,000
	Interest Rate	0%	0%	0%	0%
	Term (months)	0	0	360	360
	Payment	\$0	\$0	\$0	\$0
	Monthly Prmt.	\$836	\$821	\$832	\$829
	<b>Net Savings</b>	\$0	\$15	\$4	\$7
	Total Cash To Close	\$12,400	\$10,350	\$5,350	\$1,250

## 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 \$150,000, appreciation assumption 2%*

## TOTAL COST ANALYSIS

	Program Name	Conv 5% Dn	FHA 3.5%	CASA	CASA HH
120 MONTHS ANALYSIS	Total Payment	\$98,686	\$97,775	\$99,221	\$98,678
	Principal Paid	\$27,471	\$27,904	\$27,453	\$27,340
	Int & MI Paid	\$71,215	\$69,871	\$71,768	\$71,338
	Balance Left	\$115,029	\$116,846	\$122,297	\$126,810
	Closing & Points	\$4,900	\$5,100	\$5,100	\$5,400
	Total Cost	\$76,115	\$74,971	\$76,868	\$76,738
	Net Savings	\$753	\$1,897	\$0	\$130

## 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	Conv 5% Dn	FHA 3.5%	CASA	CASA HH
10 YEARS	Opening Balance	\$0	\$2,250	\$7,050	\$11,250
	Monthly Amount	\$0	\$15	\$4	\$7
	Rate of Return	0%	4%	4%	4%
	Home Value	\$182,849	\$182,849	\$182,849	\$182,849
	Loan Balance	\$115,029	\$116,846	\$122,297	\$126,810
15 YEARS	Equity	\$67,820	\$66,003	\$60,553	\$56,039
	Accum. Total	\$0	\$5,563	\$11,099	\$17,803
	Net Worth	\$67,820	\$71,567	\$71,652	\$73,841
	Home Value	\$201,880	\$201,880	\$201,880	\$201,880
	Loan Balance	\$95,567	\$97,076	\$102,671	\$107,266
15 YEARS	Equity	\$106,314	\$104,805	\$99,210	\$94,614
	Accum. Total	\$0	\$7,787	\$13,817	\$22,201
	Net Worth	\$106,314	\$112,592	\$113,027	\$116,815
	Freedom Point	30.00 yrs.	28.17 yrs.	27.83 yrs.	26.83 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 'CASA HH' 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 'CASA HH' has the potential to create the most wealth for your situation in 15 yrs. The plan in column titled 'CASA HH' will help you reach your Freedom Point the soonest.**



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## PROGRAM DETAILS

	Conv 5% Dn		FHA 3.5%		CASA		CASA HH	
	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg
Value	\$150,000		\$150,000		\$150,000		\$150,000	
Equity (%)	5.000 %		3.500 %		3.500 %	3.333 %	3.900 %	6.667 %
Loan Amount	\$142,500		\$144,750		\$144,750	\$5,000	\$144,150	\$10,000
Loan Type	Fixed		Fixed		Fixed	Fixed	Fixed	Fixed
Interest Rate	4.750 %		4.750 %		4.875 %	0.000 %	4.875 %	0.000 %
Term	360		360		360	360	360	360
Closing	\$4,900		\$5,100		\$5,100	\$0	\$5,400	\$0
Points	0.000 %		0.000 %		0.000 %	0.000 %	0.000 %	0.000 %
APR	5.045 %		5.052 %		5.180 %	0.000 %	5.199 %	0.000 %
Principal & Int.	\$743		\$755		\$766	\$0	\$763	\$0
Mtg. Ins.	\$93		\$66		\$66		\$66	
<b>Total P&amp;I</b>	<b>\$836</b>		<b>\$821</b>		<b>\$832</b>		<b>\$829</b>	
Index								
Margin								
LifeCap								
Scenario								
First Adj Cap								
First Adj Mos								
Adj Cap								
Adj Month								
HOA	\$0		\$0		\$0		\$0	
Haz Ins.	\$65		\$64		\$64		\$63	
Prop Taxes	\$188		\$188		\$188		\$188	
Other	\$0		\$0		\$0		\$0	
<b>Pymt. Adjust.</b>								
Adj Cap %								
Adj Cap (Mos)								
Recast Prd/Stop								
Max Balance								
<b>PITI</b>	<b>\$1,089</b>		<b>\$1,072</b>		<b>\$1,084</b>		<b>\$1,080</b>	
Term Reduction	\$0		\$0		\$0		\$0	
<b>Total PITI</b>	<b>\$1,089</b>		<b>\$1,072</b>		<b>\$1,084</b>		<b>\$1,080</b>	
Mo. Asset Accu.	\$0		\$15		\$4		\$7	
Asset Accum. Int. Rate	0.000 %		4.000 %		4.000 %		4.000 %	
Asset Accum. Open	\$0		\$2,250		\$7,050		\$11,250	

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.

