



13355 10th Avneue N Plymouth, MN 55441
 Tel (612) 701-6816 pboyle@summit-mortgage.com
 Fax (952) 314-4763 www.peterboylehomeloans.com

TOTAL COST ANALYSIS

Prepared by Peter Boyle
 July 6, 2010

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

SUMMARY

| Program Name | 30 Yr Fx Con | 10/1 ARM Jum | 7/1 ARM Jum | 5/1 ARM Jum |
|-----------------------------|--------------|--------------|-------------|-------------|
| 1ST MTG. Loan Amount | \$400,000 | \$400,000 | \$400,000 | \$400,000 |
| Interest Rate | 4.375% | 3.875% | 3.5% | 3.25% |
| Term (months) | 360 | 360 | 360 | 360 |
| Payment | \$1,997 | \$1,881 | \$1,796 | \$1,741 |
| Mtg. Ins. | \$0 | \$0 | \$0 | \$0 |
| Monthly Pmt. | \$1,997 | \$1,881 | \$1,796 | \$1,741 |
| Net Savings | \$0 | \$116 | \$201 | \$256 |

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 \$500,000, appreciation assumption 2%

TOTAL COST ANALYSIS

| Program Name | 30 Yr Fx Con | 10/1 ARM Jum | 7/1 ARM Jum | 5/1 ARM Jum |
|--|--------------|--------------|-------------|-------------|
| 360 MONTHS ANALYSIS Total Payment | \$718,971 | \$659,342 | \$642,745 | \$636,546 |
| Principal Paid | \$400,000 | \$400,000 | \$400,000 | \$400,000 |
| Int & MI Paid | \$318,971 | \$259,342 | \$242,745 | \$236,546 |
| Balance Left | \$0 | \$0 | \$0 | \$0 |
| Closing & Points | \$6,900 | \$6,900 | \$6,900 | \$6,900 |
| Total Cost | \$325,871 | \$266,242 | \$249,645 | \$243,446 |
| Net Savings | \$0 | \$59,629 | \$76,226 | \$82,425 |

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 | 30 Yr Fx Con | 10/1 ARM Jum | 7/1 ARM Jum | 5/1 ARM Jum |
|---------------------------------|--------------|--------------|-------------|-------------|
| 10 YEARS Opening Balance | \$0 | \$0 | \$0 | \$0 |
| Monthly Amount | \$0 | \$116 | \$201 | \$256 |
| Rate of Return | 0% | 6% | 6% | 6% |
| Home Value | \$609,497 | \$609,497 | \$609,497 | \$609,497 |
| Loan Balance | \$319,072 | \$313,753 | \$309,427 | \$307,929 |
| Equity | \$290,425 | \$295,744 | \$300,070 | \$301,568 |
| Accum. Total | \$0 | \$19,084 | \$33,507 | \$39,626 |
| 15 YEARS Net Worth | \$290,425 | \$314,828 | \$333,578 | \$341,194 |
| Home Value | \$672,934 | \$672,934 | \$672,934 | \$672,934 |
| Loan Balance | \$263,260 | \$254,141 | \$250,637 | \$249,423 |
| Equity | \$409,675 | \$418,793 | \$422,297 | \$423,511 |
| Accum. Total | \$0 | \$38,988 | \$60,197 | \$69,028 |
| Net Worth | \$409,675 | \$457,781 | \$482,495 | \$492,538 |
| Freedom Point | 30.00 yrs. | 24.92 yrs. | 23.42 yrs. | 22.83 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 '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 '5/1 ARM Jum' has the potential to create the most wealth for your situation in 15 yrs. The plan in column titled '5/1 ARM Jum' will help you reach your Freedom Point the soonest.



13355 10th Avneue N Plymouth, MN 55441
 Tel (612) 701-6816 pboyle@summit-mortgage.com
 Fax (952) 314-4763 www.peterboylehomeloans.com

TOTAL COST ANALYSIS

Prepared by Peter Boyle
 July 6, 2010

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

PROGRAM DETAILS

| | 30 Yr Fx Con | | 10/1 ARM Jum | | 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 | \$500,000 | | \$500,000 | | \$500,000 | | \$500,000 | |
| Equity (%) | 20.000 % | | 20.000 % | | 20.000 % | | 20.000 % | |
| Loan Amount | \$400,000 | | \$400,000 | | \$400,000 | | \$400,000 | |
| Loan Type | Fixed | | ARM | | ARM | | ARM | |
| Interest Rate | 4.375 % | | 3.875 % | | 3.500 % | | 3.250 % | |
| Term | 360 | | 360 | | 360 | | 360 | |
| Closing | \$6,900 | | \$6,900 | | \$6,900 | | \$6,900 | |
| Points | 0.000 % | | 0.000 % | | 0.000 % | | 0.000 % | |
| APR | 4.520 % | | 3.840 % | | 3.596 % | | 3.499 % | |
| Principal & Int. | \$1,997 | | \$1,881 | | \$1,796 | | \$1,741 | |
| Mtg. Ins. | \$0 | | \$0 | | \$0 | | \$0 | |
| Total P&I | \$1,997 | | \$1,881 | | \$1,796 | | \$1,741 | |
| Index | | | 1.172 % | | 1.172 % | | 1.172 % | |
| Margin | | | 2.250 % | | 2.250 % | | 2.250 % | |
| LifeCap | | | 5.000 % | | 5.000 % | | 5.000 % | |
| Scenario | | | Best | | Best | | Best | |
| First Adj Cap | | | 5.000 % | | 5.000 % | | 5.000 % | |
| First Adj Mos | | | 120 | | 84 | | 60 | |
| Adj Cap | | | 2.000 % | | 2.000 % | | 2.000 % | |
| Adj Month | | | 12 | | 12 | | 12 | |
| HOA | \$0 | | \$0 | | \$0 | | \$0 | |
| Haz Ins. | \$150 | | \$150 | | \$150 | | \$150 | |
| Prop Taxes | \$521 | | \$521 | | \$521 | | \$521 | |
| Other | \$0 | | \$0 | | \$0 | | \$0 | |
| Pymt. Adjust. | | | | | | | | |
| Adj Cap % | | | | | | | | |
| Adj Cap (Mos) | | | | | | | | |
| Recast Prd/Stop | | | | | | | | |
| Max Balance | | | | | | | | |
| PITI | \$2,668 | | \$2,552 | | \$2,467 | | \$2,412 | |
| Term Reduction | \$0 | | \$0 | | \$0 | | \$0 | |
| Total PITI | \$2,668 | | \$2,552 | | \$2,467 | | \$2,412 | |
| Mo. Asset Accu. | \$0 | | \$116 | | \$201 | | \$256 | |
| Asset Accum. Int. Rate | 0.000 % | | 6.000 % | | 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.

