

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

**SUMMARY**

Program Name	FHA 30 yr Fixed	Conv 30 5% DN	Conv 30 10% D	Conv 30 20% D
<b>1ST MTG.</b> Loan Amount	\$195,000	\$190,000	\$180,000	\$160,000
Interest Rate	4.625%	4.875%	4.875%	4.875%
Term (months)	360	360	360	360
Payment	\$1,003	\$1,005	\$953	\$847
Mtg. Ins.	\$146	\$133	\$96	\$0
Monthly Pmt.	\$1,149	\$1,138	\$1,049	\$847
<b>Net Savings</b>	\$0	\$10	\$100	\$302
Total Cash To Close	\$11,850	\$14,700	\$24,600	\$44,500

**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 \$200,000, appreciation assumption 2%*

**TOTAL COST ANALYSIS**

Program Name	FHA 30 yr Fixed	Conv 30 5% DN	Conv 30 10% D	Conv 30 20% D
<b>60 MONTHS ANALYSIS</b> Total Payment	\$68,929	\$68,310	\$62,914	\$50,804
Principal Paid	\$16,908	\$15,837	\$15,004	\$13,336
Int & MI Paid	\$52,021	\$52,473	\$47,911	\$37,468
Balance Left	\$178,092	\$174,163	\$164,996	\$146,664
Closing & Points	\$4,900	\$4,700	\$4,600	\$4,500
Total Cost	\$56,921	\$57,173	\$52,511	\$41,968
Net Savings	\$251	\$0	\$4,662	\$15,205

**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 30 yr Fixed	Conv 30 5% DN	Conv 30 10% D	Conv 30 20% DN
<b>10 YEARS</b> Opening Balance	\$32,650	\$29,800	\$19,900	\$0
Monthly Amount	\$0	\$10	\$100	\$302
Rate of Return	5%	5%	5%	5%
Home Value	\$243,799	\$243,799	\$243,799	\$243,799
Loan Balance	\$156,795	\$153,964	\$145,861	\$129,654
Equity	\$87,004	\$89,834	\$97,938	\$114,145
Accum. Total	\$53,775	\$50,634	\$48,304	\$46,895
<b>15 YEARS</b> Net Worth	\$140,779	\$140,468	\$146,242	\$161,040
Home Value	\$269,174	\$269,174	\$269,174	\$269,174
Loan Balance	\$129,968	\$128,203	\$121,456	\$107,961
Equity	\$139,205	\$140,970	\$147,718	\$161,213
Accum. Total	\$69,012	\$65,661	\$68,792	\$80,721
Net Worth	\$208,218	\$206,632	\$216,509	\$241,934
Freedom Point	20.67 yrs.	20.92 yrs.	19.67 yrs.	17.08 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 'Conv 30 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 'Conv 30 20% DN' has the potential to create the most wealth for your situation in 15 yrs. The plan in column titled 'Conv 30 20% DN' will help you reach your Freedom Point the soonest.**

13355 10th Avenue 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

December 18, 2010

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123 Low Down Payment Ave Central, MN 00000

## PROGRAM DETAILS

Value	FHA 30 yr Fixed		Conv 30 5% DN		Conv 30 10% DN		Conv 30 20% DN	
	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg
Value	\$200,000		\$200,000		\$200,000		\$200,000	
Equity (%)	2.500 %		5.000 %		10.000 %		20.000 %	
Loan Amount	\$195,000		\$190,000		\$180,000		\$160,000	
Loan Type	Fixed		Fixed		Fixed		Fixed	
Interest Rate	4.625 %		4.875 %		4.875 %		4.875 %	
Term	360		360		360		360	
Closing	\$4,900		\$4,700		\$4,600		\$4,500	
Points	0.000 %		0.000 %		0.000 %		0.000 %	
APR	4.840 %		5.096 %		5.108 %		5.119 %	
Principal & Int.	\$1,003		\$1,005		\$953		\$847	
Mtg. Ins.	\$146		\$133		\$96		\$0	
<b>Total P&amp;I</b>	<b>\$1,149</b>		<b>\$1,138</b>		<b>\$1,049</b>		<b>\$847</b>	
Index								
Margin								
LifeCap								
Scenario								
First Adj Cap								
First Adj Mos								
Adj Cap								
Adj Month								
HOA	\$0		\$0		\$0		\$0	
Haz Ins.	\$89		\$89		\$89		\$89	
Prop Taxes	\$250		\$250		\$250		\$250	
Other	\$0		\$0		\$0		\$0	
<b>Pymt. Adjust.</b>								
Adj Cap %								
Adj Cap (Mos)								
Recast Prd/Stop								
Max Balance								
<b>PITI</b>	<b>\$1,488</b>		<b>\$1,477</b>		<b>\$1,388</b>		<b>\$1,186</b>	
Term Reduction	\$0		\$0		\$0		\$0	
<b>Total PITI</b>	<b>\$1,488</b>		<b>\$1,477</b>		<b>\$1,388</b>		<b>\$1,186</b>	
Mo. Asset Accu.	\$0		\$10		\$100		\$302	
Asset Accum. Int. Rate	5.000 %		5.000 %		5.000 %		5.000 %	
Asset Accum. Open	\$32,650		\$29,800		\$19,900		\$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.

