

FEBRUARY 7, 2014

# TILA RESPA Integrated Disclosure

## H-24(C) Mortgage Loan Transaction Loan Estimate – Interest Only Adjustable Rate Loan Sample

This is a sample of a completed Loan Estimate for an adjustable rate loan with interest only payments. This loan is for the purchase of property at a sale price of \$240,000 and has a loan amount of \$211,000 and a 30-year loan term. For the first five years of the loan term, the scheduled payments cover only interest and the loan has an introductory interest rate that is fixed at 4.00 percent. After five years, the payments include principal and the interest rate adjusts every three years based on the value of the Monthly Treasury Average index plus a margin of 4.00 percent. The consumer has elected to lock the interest rate. The creditor does not require an escrow account with the loan. The creditor requires that the consumer pay for private mortgage insurance.



Consumer Financial  
Protection Bureau

## Loan Estimate

**DATE ISSUED** 2/15/2013  
**APPLICANTS** Michael Jones and Mary Stone  
 123 Anywhere Street  
 Anytown, ST 12345  
**PROPERTY** 456 Somewhere Avenue  
 Anytown, ST 12345  
**SALE PRICE** \$240,000

**LOAN TERM** 30 years  
**PURPOSE** Purchase  
**PRODUCT** 5 Year Interest Only, 5/3 Adjustable Rate  
**LOAN TYPE**  Conventional  FHA  VA  \_\_\_\_\_  
**LOAN ID #** 123456789  
**RATE LOCK**  NO  YES, until 4/16/2013 at 5:00 p.m. EDT  
*Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on 3/4/2013 at 5:00 p.m. EDT*

Loan Terms		Can this amount increase after closing?
<b>Loan Amount</b>	\$211,000	<b>NO</b>
<b>Interest Rate</b>	4%	<b>YES</b> <ul style="list-style-type: none"> <li>• Adjusts <b>every 3 years</b> starting in year 6</li> <li>• Can go <b>as high as 12%</b> in year 15</li> <li>• See <b>AIR Table on page 2</b> for details</li> </ul>
<b>Monthly Principal &amp; Interest</b> <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$703.33	<b>YES</b> <ul style="list-style-type: none"> <li>• Adjusts <b>every 3 years</b> starting in year 6</li> <li>• Can go <b>as high as \$2,068</b> in year 15</li> <li>• Includes <b>only interest</b> and <b>no principal</b> until year 6</li> <li>• See <b>AP Table on page 2</b> for details</li> </ul>
<b>Does the loan have these features?</b>		
<b>Prepayment Penalty</b>		<b>NO</b>
<b>Balloon Payment</b>		<b>NO</b>

Projected Payments				
Payment Calculation	Years 1-5	Years 6-8	Years 9-11	Years 12-30
Principal & Interest	\$703.33 <i>only interest</i>	\$1,028 min \$1,359 max	\$1,028 min \$1,604 max	\$1,028 min \$2,068 max
Mortgage Insurance	+ 109	+ 109	+ 109	+ —
Estimated Escrow <i>Amount can increase over time</i>	+ 0	+ 0	+ 0	+ 0
<b>Estimated Total Monthly Payment</b>	<b>\$812</b>	<b>\$1,137–\$1,468</b>	<b>\$1,137–\$1,713</b>	<b>\$1,028–\$2,068</b>
<b>Estimated Taxes, Insurance &amp; Assessments</b> <i>Amount can increase over time</i>	\$533 a month	<b>This estimate includes</b> <input checked="" type="checkbox"/> Property Taxes <input checked="" type="checkbox"/> Homeowner's Insurance <input type="checkbox"/> Other: <i>See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.</i>		<b>In escrow?</b> <b>NO</b> <b>NO</b>

Costs at Closing	
<b>Estimated Closing Costs</b>	\$8,791 Includes \$5,851 in Loan Costs + \$2,940 in Other Costs – \$0 in Lender Credits. <i>See page 2 for details.</i>
<b>Estimated Cash to Close</b>	\$27,791 Includes Closing Costs. <i>See Calculating Cash to Close on page 2 for details.</i>

Visit [www.consumerfinance.gov/mortgage-estimate](http://www.consumerfinance.gov/mortgage-estimate) for general information and tools.

## Closing Cost Details

### Loan Costs

<b>A. Origination Charges</b>	<b>\$3,110</b>
1 % of Loan Amount (Points)	\$2,110
Application Fee	\$500
Processing Fee	\$500

<b>B. Services You Cannot Shop For</b>	<b>\$820</b>
Appraisal Fee	\$305
Credit Report Fee	\$30
Flood Determination Fee	\$35
Lender's Attorney Fee	\$400
Tax Status Research Fee	\$50

<b>C. Services You Can Shop For</b>	<b>\$1,921</b>
Pest Inspection Fee	\$125
Survey Fee	\$150
Title – Courier Fee	\$32
Title – Lender's Title Policy	\$665
Title – Settlement Agent Fee	\$325
Title – Title Search	\$624

<b>D. TOTAL LOAN COSTS (A + B + C)</b>	<b>\$5,851</b>
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### Adjustable Payment (AP) Table

Interest Only Payments?	YES for your first 60 payments
Optional Payments?	NO
Step Payments?	NO
Seasonal Payments?	NO

### Monthly Principal and Interest Payments

First Change/Amount	\$1,028 – \$1,359 at 61st payment
Subsequent Changes	Every three years
Maximum Payment	\$2,068 starting at 169th payment

### Other Costs

<b>E. Taxes and Other Government Fees</b>	<b>\$152</b>
Recording Fees and Other Taxes	\$152
Transfer Taxes	

<b>F. Prepays</b>	<b>\$1,352</b>
Homeowner's Insurance Premium ( 12 months)	\$1,000
Mortgage Insurance Premium ( months)	
Prepaid Interest ( \$23.44 per day for 15 days @ 4.00%)	\$352
Property Taxes ( months)	

### G. Initial Escrow Payment at Closing

Homeowner's Insurance	per month for	mo.
Mortgage Insurance	per month for	mo.
Property Taxes	per month for	mo.

<b>H. Other</b>	<b>\$1,436</b>
Title – Owner's Title Policy (optional)	\$1,436

<b>I. TOTAL OTHER COSTS (E + F + G + H)</b>	<b>\$2,940</b>
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<b>J. TOTAL CLOSING COSTS</b>	<b>\$8,791</b>
D + I	\$8,791
Lender Credits	

### Calculating Cash to Close

Total Closing Costs (J)	\$8,791
Closing Costs Financed (Paid from your Loan Amount)	\$0
Down Payment/Funds from Borrower	\$29,000
Deposit	– \$10,000
Funds for Borrower	\$0
Seller Credits	\$0
Adjustments and Other Credits	\$0
<b>Estimated Cash to Close</b>	<b>\$27,791</b>

### Adjustable Interest Rate (AIR) Table

Index + Margin	MTA + 4%
Initial Interest Rate	4%
Minimum/Maximum Interest Rate	3.25%/12%

### Change Frequency

First Change	Beginning of 61st month
Subsequent Changes	Every 36th month after first change

### Limits on Interest Rate Changes

First Change	2%
Subsequent Changes	2%

## Additional Information About This Loan

**LENDER** Ficus Bank  
**NMLS/\_\_\_ LICENSE ID**  
**LOAN OFFICER** Joe Smith  
**NMLS/\_\_\_ LICENSE ID** 12345  
**EMAIL** joesmith@ficusbank.com  
**PHONE** 123-456-7890

**MORTGAGE BROKER**  
**NMLS/\_\_\_ LICENSE ID**  
**LOAN OFFICER**  
**NMLS/\_\_\_ LICENSE ID**  
**EMAIL**  
**PHONE**

### Comparisons

Use these measures to compare this loan with other loans.

<b>In 5 Years</b>	<b>\$54,944</b> Total you will have paid in principal, interest, mortgage insurance, and loan costs. <b>\$0</b> Principal you will have paid off.
<b>Annual Percentage Rate (APR)</b>	<b>4.617%</b> Your costs over the loan term expressed as a rate. This is not your interest rate.
<b>Total Interest Percentage (TIP)</b>	<b>81.18%</b> The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

### Other Considerations

#### Appraisal

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

#### Assumption

If you sell or transfer this property to another person, we  
 will allow, under certain conditions, this person to assume this loan on the original terms.  
 will not allow assumption of this loan on the original terms.

#### Homeowner's Insurance

This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable.

#### Late Payment

If your payment is more than 15 days late, we will charge a late fee of 5% of the monthly principal and interest payment.

#### Refinance

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

#### Servicing

We intend  
 to service your loan. If so, you will make your payments to us.  
 to transfer servicing of your loan.

### Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature

Date

Co-Applicant Signature

Date