

# Completing the New Good Faith Estimate



OMB Approval No. 2502-0265

## Good Faith Estimate (GFE)

**The new GFE is required for all requests created on or after January 1, 2010.**

Name of Originator	<b>XYZ BROKER COMPANY</b>
Originator Address	<b>1 PARK AVENUE, SUITE 100 BURLINGAME, CA 94010</b>
Originator Phone Number	<b>(888) 555-0000</b>
Originator Email	<b>INFO@XYZBROKERCO.COM</b>

Borrower	<b>JOHN DOE</b>
Property Address	<b>123 MAPLE DRIVE SAN CARLOS, CA 94070</b>
Date of GFE	<b>4/2/2010</b>

Must be within 3 days from, but not before, the application date. Initial Registration must be within 60 days of the application date.

### Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at [www.hud.gov/respa](http://www.hud.gov/respa). If you decide you would like to proceed with this loan, contact us.

Enter the date and time until which the interest rate is available. N/A is not allowed. The GFE Audit will not be completed until this date has expired.

### Shopping for your loan

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping chart on page 3 to compare all the offers you receive.

### Important dates

- The interest rate for this GFE is available through **4/2/2010 - 5:00pm**. After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
- This estimate for all other settlement charges is available through **4/14/2010**.
- After you lock your interest rate, you must go to settlement within **90** days (your rate lock period) to receive the locked interest rate.
- You must lock the interest rate at least **7** days before settlement.

Must be a minimum of 10 days from Date of GFE (Date of GFE = day 0), excluding Sundays and holidays.

Enter the rate lock period (12, 21, 30, 45, or 60) or N/A.

### Summary of your loan

All fields are required to be completed.

Your initial loan amount is	<b>\$ 100,000.00</b>
Your loan term is	<b>30</b> years
Your initial interest rate is	<b>4.000</b> %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	<b>\$ 477.42</b> per month
Can your interest rate rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, it can rise to a maximum of <b>9.000%</b> . The first change will be in <b>60 MO</b> .
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$
Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, the first increase can be in <b>60 MO</b> and the monthly amount owed can rise to <b>\$ 762.68</b> . The maximum it can ever rise to is <b>\$ 762.68</b> .
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in <b>years</b> .

Enter "N/A" or 7 or more days.

Payment includes mortgage insurance, but excludes taxes and homeowners insurance.

Enter the maximum payment based on the life caps, not the current fully indexed amount.

### Escrow account information

Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$ **477.42**.

Do we require you to have an escrow account for your loan?

No, you do not have an escrow account. You must pay these charges directly when due.

Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

Must match the payment amount disclosed above in "Summary of your loan".

### Summary of your settlement charges

<b>A</b>	Your Adjusted Origination Charges (See page 2)	<b>\$ -631.05</b>
<b>B</b>	Your Charges for All Other Settlement Services (See page 2)	<b>\$ 5,302.54</b>
<b>A + B</b>	<b>Total Estimated Settlement Charges</b>	<b>\$ 4,671.49</b>

GFE A + B cannot be less than \$0.00.

# Completing the New Good Faith Estimate

## Understanding your estimated settlement charges

Check only one box. There cannot be both a credit and a charge in the same transaction.

Does not apply to PF.

Over par pricing (rebate).

Under par pricing (points to buy down the interest rate).

Some of these charges can change at settlement. See the top of page 3 for more information.

Enter the service fee description, not the name of the service provider.

PF requires Broker and 3rd party fees in this block to be POC.

Enter the sum of all fees charged by the title company and escrow agent, including fees for processing or administrative services related to the settlement.

Enter the service fee description, not the name of the service provider.

Your Adjusted Origination Charges								
1. Our origination charge This charge is for getting this loan for you.		3,868.95						
2. Your credit or charge (points) for the specific interest rate chosen								
<input type="checkbox"/> The credit or charge for the interest rate of <input type="text"/> % is included in "Our origination charge." (See item 1 above.)								
<input checked="" type="checkbox"/> You receive a credit of \$ <input type="text"/> for this interest rate of <input type="text"/> % . This credit reduces your settlement charges.								
<input type="checkbox"/> You pay a charge of \$ <input type="text"/> for this interest rate of <input type="text"/> % . This charge (points) increases your total settlement charges.								
The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.		-4,500.00						
<b>A</b>	Your Adjusted Origination Charges	\$ -631.05						
Your Charges for All Other Settlement Services								
3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.								
<table border="1"> <thead> <tr> <th>Service</th> <th>Charge</th> </tr> </thead> <tbody> <tr> <td>Appraisal Fee / Credit Report Fee</td> <td>600.00 / 25.00</td> </tr> <tr> <td>HOA Certification Fee</td> <td>30.00</td> </tr> </tbody> </table>		Service	Charge	Appraisal Fee / Credit Report Fee	600.00 / 25.00	HOA Certification Fee	30.00	727.00
Service	Charge							
Appraisal Fee / Credit Report Fee	600.00 / 25.00							
HOA Certification Fee	30.00							
4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.		1,530.00						
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.		1,000.00						
6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify providers of these services or you can shop for them yourself. Our estimates for providing these services are below.								
<table border="1"> <thead> <tr> <th>Service</th> <th>Charge</th> </tr> </thead> <tbody> <tr> <td>Buyer Inspection Fee</td> <td>230.00</td> </tr> </tbody> </table>		Service	Charge	Buyer Inspection Fee	230.00	230.00		
Service	Charge							
Buyer Inspection Fee	230.00							
7. Government recording charges These charges are for state and local fees to record your loan and title documents.		110.00						
8. Transfer taxes These charges are for state and local fees on mortgages and home sales.		450.00						
9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input checked="" type="checkbox"/> all property taxes, <input checked="" type="checkbox"/> all insurance, and <input type="checkbox"/> other <input type="text"/> .		500.00						
10. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. This amount is \$ <input type="text"/> per day for <input type="text"/> days (if your settlement is <input type="text"/> ).		155.54						
11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.								
<table border="1"> <thead> <tr> <th>Policy</th> <th>Charge</th> </tr> </thead> <tbody> <tr> <td>Homeowners Insurance Policy/Fire Hazard</td> <td>600.00</td> </tr> <tr> <td>Wind Insurance Policy / Flood Insurance Policy</td> <td>0.00 / 0.00</td> </tr> </tbody> </table>		Policy	Charge	Homeowners Insurance Policy/Fire Hazard	600.00	Wind Insurance Policy / Flood Insurance Policy	0.00 / 0.00	600.00
Policy	Charge							
Homeowners Insurance Policy/Fire Hazard	600.00							
Wind Insurance Policy / Flood Insurance Policy	0.00 / 0.00							
<b>B</b>	Your Charges for All Other Settlement Services	\$ 5,302.54						
<b>A + B</b>	<b>Total Estimated Settlement Charges</b>	<b>\$ 4,671.49</b>						

The total of all Broker AND Lender fees, including the following PF fees:

- Admin/Origination/Commitment Fee
- Dept of Banking Fee (GA)
- Attorney Fee to BM&G (TX)

CANNOT include any Broker processing or administrative charges, which must be included in block 1.

MUST disclose the following PF required services :

- Appraisal Fee

This is required to be disclosed on all purchase transactions, even if paid by the seller.

It is CRITICAL that this is accurately disclosed as applicable for your local City, County, and/or State. This cannot be added later and cannot be increased without a related Changed Circumstance (i.e. loan amount increase).

Enter "0" if escrows/impounds are waived.

Enter insurance premiums to be collected at settlement.

GFE A + B cannot be less than \$0.00.



# Completing the New Good Faith Estimate

## Instructions

### Understanding which charges can change at settlement

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. Compare the charges on the HUD-1 with the charges on this GFE. Charges can change if you select your own provider and do not use the companies we identify. (See below for details.)

These charges cannot increase at settlement:	The total of these charges can increase up to 10% at settlement:	These charges can change at settlement:
<ul style="list-style-type: none"> <li>Our origination charge</li> <li>Your credit or charge (points) for the specific interest rate chosen (after you lock in your interest rate)</li> <li>Your adjusted origination charges (after you lock in your interest rate)</li> <li>Transfer taxes</li> </ul>	<ul style="list-style-type: none"> <li>Required services that we select</li> <li>Title services and lender's title insurance (if we select them or you use companies we identify)</li> <li>Owner's title insurance (if you use companies we identify)</li> <li>Required services that you can shop for (if you use companies we identify)</li> <li>Government recording charges</li> </ul>	<ul style="list-style-type: none"> <li>Required services that you can shop for (if you do not use companies we identify)</li> <li>Title services and lender's title insurance (if you do not use companies we identify)</li> <li>Owner's title insurance (if you do not use companies we identify)</li> <li>Initial deposit for your escrow account</li> <li>Daily interest charges</li> <li>Homeowner's insurance</li> </ul>

PF only permits an increase in these fees by more than 10% when there is a related Changed Circumstance.

### Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

- If you want to choose this same loan with lower settlement charges, then you will have a higher interest rate.
  - If you want to choose this same loan with a lower interest rate, then you will have higher settlement charges.
- If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed.

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$ 100,000.00	\$	\$
Your initial interest rate <sup>1</sup>	4.000 %	%	%
Your initial monthly amount owed	\$ 477.42	\$	\$
Change in the monthly amount owed from this GFE	No change	You will pay \$ more every month	You will pay \$ less every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be reduced by \$	Your settlement charges will increase by \$
How much your total estimated settlement charges will be	\$ 4,671.49	\$	\$

Columns 2 & 3 are optional.

<sup>1</sup> For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

### Using the shopping chart

To be completed by the borrower when shopping loans.

Use this chart to compare GFEs from different loan originators. Fill in the information by using a different column for each GFE you receive. By comparing loan offers, you can shop for the best loan.

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name	XYZ BROKER			
Initial loan amount	100,000.00			
Loan term	360			
Initial interest rate	4.000 %			
Initial monthly amount owed	477.42			
Rate lock period	30			
Can interest rate rise?	Yes			
Can loan balance rise?	No			
Can monthly amount owed rise?	Yes			
Prepayment penalty?	No			
Balloon payment?	No			
<b>Total Estimated Settlement Charges</b>	<b>4,671.49</b>			

### If your loan is sold in the future

Some lenders may sell your loan after settlement. Any fees lenders receive in the future cannot change the loan you receive or the charges you paid at settlement.

