

Loan Estimate

| | | | |
|--------------------|-------------------------|---------------------|-------------------------------------|
| LOAN AMOUNT | \$216,000 | DATE EXPIRES | 05/18/2011 06/02/2011 at 3:00 PM |
| LOAN TYPE | 30 year adjustable rate | APPLICANT | Jane Johnson |
| PURPOSE | Purchase | PROPERTY | 456 Avenue A |
| PROGRAM | Conventional | | Anytown, ST 12345 |

Key Loan Terms

Can key loan terms change after closing?

| | | | |
|------------------------------------|---------------|--------------|---|
| Interest rate | 2.5% to start | YES → | <ul style="list-style-type: none"> • Can go as high as 10% in year 5. • Adjusts yearly starting in year 3. • See details on back. |
| Monthly loan payment | \$853.47 | YES → | <ul style="list-style-type: none"> • Can go as high as \$1,810. • Adjusts yearly starting in year 3. |
| Monthly taxes and insurance | \$427 | YES → | <ul style="list-style-type: none"> • Estimated. Could increase over time. |

Cautions

Can loan features trigger higher or additional payments?

| | |
|-------------------------------|-----------|
| Increasing loan amount | NO |
| Balloon payment | NO |
| Prepayment penalty | NO |

Comparisons

Use these additional measures to compare this loan with others.

| | |
|-------------------------------|---|
| Annual Percentage Rate | 5.59% expresses interest and costs over 30 years. |
| In 5 Years | \$19,761 is the loan amount you have paid off in 5 years after paying \$79,993. |

Projected Payments

Expect to make these payments.

| AT CLOSING | YEARS 1 – 2 | YEARS 3 – 8 | YEARS 9 – 30 |
|---|--|--|--|
| \$10,060 Estimated Closing Costs See details on back. + \$24,000 Down Payment These amounts will be adjusted for credits and deposits. | \$1,280 a month Includes \$427 estimated taxes and insurance. | \$1,280 to \$2,237 a month Estimated total monthly payment. Includes \$427 estimated taxes and insurance. | \$1,170 to \$2,127 a month Estimated total monthly payment. Includes \$317 estimated taxes and insurance. |



Loan Estimate Details

You have no obligation to choose this loan. Shop around to find the best loan for you.

LOAN ID # 1330172608

Estimated Closing Costs

| | | | |
|----------|--|--|----------|
| A | Origination Fee. | This fee cannot change. Includes <u>0</u> points (\$0) | \$2,000 |
| B | Required services and costs you cannot shop for. | Services Required by the Lender <ul style="list-style-type: none"> • These services include appraisal (\$300) and credit report (\$18) provided by lender-related companies: SCR Appraisal and HBR Credit Inc. • Total cannot be higher than \$953 at closing. | \$866 |
| | | Government Charges | \$2,015 |
| C | Required services you can shop for. If you choose another provider, these amounts may vary. | Title Services, Lender's Title Insurance, and Settlement Agent | \$1,745 |
| | | Pest Inspection | \$90 |
| | | Homeowner's Insurance | \$637 |
| D | Non-required services. You choose to shop for and purchase these services. | Owner's Title Insurance | \$650 |
| | | Home Warranty | \$550 |
| E | Advance charges you pay at closing. | Escrow and prepaid property taxes and assessments | \$633 |
| | | Escrow for insurance | \$649 |
| | | Prepaid Interest (15 days @ 2.5%, \$15/day) | \$225 |
| F | Total Closing Costs | A + B + C + D + E | \$10,060 |
| G | Credits from Lender or Seller | | 0 |
| H | Amount of Total Closing Costs to be Financed | | 0 |
| I | ESTIMATED AMOUNT YOU WILL PAY AT CLOSING (F - G - H) | | \$10,060 |

Is an Escrow Account Required?

- YES, your monthly payment includes monthly taxes and insurance.
- NO, you must pay your taxes and insurance yourself.

Important Dates

This estimate expires on **06/02/2011 at 3:00 PM**. After this time, the loan features and closing costs on this form may not be available.

Is Mortgage Insurance Required?

- YES, this loan requires mortgage insurance.
- NO, this loan does not require mortgage insurance.

Adjustable Interest Rate Information

| | |
|-----------------------|-------|
| Index | Prime |
| Margin | 2.5% |
| Lifetime Maximum Rate | 10% |
| Lifetime Minimum Rate | 2.5% |

Will You Make Your Payments to Us?

- YES, we intend to service your loan.
- NO, we intend to assign, sell, or transfer servicing of your loan.

Cap on Interest Rate Changes

| | |
|-----------------------|----|
| At First Change | 3% |
| At Subsequent Changes | 3% |

Change Frequency

First Change: 2 years from loan date
 Subsequent Changes: Every year after first change

Appraisal

We will promptly give you a free copy of any written property appraisals or valuations. You will receive the copy even if the loan does not close.

PECAN BANK

LOAN OFFICER Joe Smith
PHONE 555-123-4444
EMAIL joesmith@pecanbank.com
NMLS ID# 01234567

LOAN ID# 1330172608
APPLICANT Jane Johnson
PROPERTY 456 Avenue A, Anytown, ST 12345
LOAN TYPE 30 year adjustable rate
PURPOSE Purchase
PROGRAM Conventional

DATE May 18, 2011
EXPIRES June 2, 2011 at 3:00 PM

Loan Estimate

PROJECTED PAYMENTS Payments you should expect to make.

AT CLOSING

\$34,060 estimated

Will be adjusted for credits and deposits.

YEARS 1 – 2

\$853 a month

+ **\$427** estimated taxes and insurance.

Estimated total **\$1,280** a month.

YEARS 3 – 8

As much as **\$1,810** a month

+ **\$427** estimated taxes and insurance.

Estimated total **\$1,280 to \$2,237** a month.

YEARS 9 – 30

As much as **\$1,810** a month

+ **\$317** estimated taxes and insurance.

Estimated total **\$1,170 to \$2,127** a month.

SUMMARY

Loan Amount **\$216,000**
Monthly Loan Payment **\$853.47**
• Adjusts yearly starting in year 3.
Monthly Taxes & Insurance **\$427**
• Estimated. Could increase over time.
Interest Rate **2.5% to start**
• Adjusts yearly starting in year 3.
• See details on back.

Closing Costs You Pay **\$10,060**
• See details on back.
Down Payment **\$24,000**

CAUTIONS

These features trigger higher or additional payments.
Adjustable Interest Rate **As high as 10%**
Increasing Monthly Payment ... **As high as \$1,810**
Increasing Loan Amount **No**
Balloon Payment **No**
Prepayment Penalty **No**

COMPARISONS

Use these additional measures to compare this loan with others.
In 5 Years **\$79,993**
Amount you have paid
\$19,761
Amount of loan paid off
APR **5.59%**
• Expresses interest and costs over 30 years.



For additional information and tools, visit www.consumerfinance.gov/futureurl

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LOAN ID # 1330172608

| Estimated Closing Costs | | | |
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| H | Amount of Total Closing Costs to be Financed | | \$0 |
| I | ESTIMATED AMOUNT YOU WILL PAY AT CLOSING (F - G - H) | | \$10,060 |

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