

UNDERSTANDING YOUR LOAN ESTIMATE

When reading your loan estimate from any lender, **review page one for details on the loan type, term, rate, and payment.**

Save this Loan Estimate to compare with your

Loan Estimate	
DATE ISSUED APPLICANTS	LOAN TERM PURPOSE PRODUCT LOAN TYPE <input type="checkbox"/> Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA LOAN ID # RATE LOCK <input type="checkbox"/> NO <input type="checkbox"/> YES, until <small>Before closing, your interest rate, po- change unless you lock the interest closing costs expire on</small>
PROPERTY SALE PRICE	Can this amount increase after closing?
Loan Terms	
Loan Amount	
Interest Rate	
Monthly Principal & Interest <small>See Projected Payments below for your Estimated Total Monthly Payment</small>	

Carefully review page two as it can have possible hidden fees. Make sure you know what each line item is and what you're getting charged!

LOAN COSTS – A. Origination Charges



LOAN COSTS – B. Services You Cannot Shop For

The first section is Loan Costs, and the subheading gathers your Origination Charges, which is the **MOST CRUCIAL SECTION** on this entire form. Origination Charges combine your “Rate Discount Fee” a.k.a. “Points,” Application Fee, and Underwriting Fee.

Loan Costs

A. Origination Charges

.25% of Loan Amount (Points)
Application Fee
Underwriting Fee

Origination Charges - These can be called different things by different lenders. If you see “*Loan Amount (Points)*” this refers to an origination fee OR rate discount fee charged as a percentage of your loan amount. In some cases, you may see a negative number here called a “*lender credit*.” This credit refers to what the lender receives to help pay closing costs.

Application Fee - This is a cost associated with processing your mortgage loan and can vary based on the lender.

Underwriting Fee - This covers the cost associated with verifying the financial information required to obtain your mortgage.

Remember, the lender controls this section. Some lenders itemize dozens of fees, and some include everything in one line item. Another term you may see is Origination or Origination Fee, which is a charge assessed by a mortgage lender to process your loan. **The main number you want to look at is the total, in bold at the top of the section.**

These are services that **LENDERS SOURCE FOR YOU**. These include an Appraisal Fee, a Credit Report Fee, Flood Determination Fee, Flood Monitoring Fee, Tax Monitoring Fee, and Tax status Research Fee.

B. Service You Cannot Shop For

Appraisal Fee
Credit Report Fee
Flood Determination Fee
Flood Monitoring Fee
Tax Monitoring Fee
Tax Status Research Fee

Appraisal Fee - This is the amount paid to the home appraiser.

Credit Report Fee - This is the cost of your credit report.

Flood Determination Fee - This determines if the home is in a flood zone.

Flood Monitoring Fee - This is to monitor flood maps and make sure the house doesn't fall into a flood zone in the future.

Tax Monitoring Fee - This is for tax account monitoring, so the proper parties are notified if there's ever an unpaid tax bill.

Tax Status Research Fee - This is to verify the amount due each year and make sure property taxes get paid on time.

Take the time to review these details carefully and ask questions—knowledge is power when it comes to your mortgage!

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