



# TOTAL COST ANALYSIS

Prepared by Peter Boyle

October 16, 2009

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Prepared For: FHA Streamline Refinance  
 1810 Marigold Ave Fort Junction, MN 55515

SUMMARY					
	Program Name	Current Mortgag	30 Yr fixed	15 Yr Fixed	Program 4
1ST MTG.	Loan Amount	\$301,802	\$309,014	\$309,014	\$0
	Interest Rate	6%	5%	4.5%	0%
	Term (months)	348	360	180	0
	Payment	\$1,832	\$1,659	\$2,364	\$0
	Mtg. Ins.	\$125	\$139	\$139	\$0
	Monthly Pmt.	<b>\$1,957</b>	<b>\$1,798</b>	<b>\$2,503</b>	<b>\$0</b>
	Net Savings	<b>\$546</b>	<b>\$705</b>	<b>\$0</b>	<b>\$0</b>

## 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 \$325,000, appreciation assumption 3%*

TOTAL COST ANALYSIS					
	Program Name	Current Mortgag	30 Yr fixed	15 Yr Fixed	Program 4
0 MONTHS ANALYS	Total Payment	\$342,250	\$313,195	\$430,654	\$0
	Principal Paid	\$93,917	\$99,243	\$309,014	\$0
	Int & MI Paid	\$248,333	\$213,951	\$121,640	\$0
	Balance Left	\$207,884	\$209,771	\$0	\$0
	Closing & Points	\$0	\$6,269	\$6,269	\$0
	<b>Total Cost</b>	<b>\$248,333</b>	<b>\$220,220</b>	<b>\$127,909</b>	<b>\$0</b>
	<b>Net Savings</b>	<b>\$0</b>	<b>\$28,113</b>	<b>\$120,424</b>	<b>\$0</b>

## 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	Current Mortgag	30 Yr fixed	15 Yr Fixed	Program 4
10 YEARS	Opening Balance	\$0	\$0	\$0	\$0
	Monthly Amount	\$0	\$183	\$183	\$0
	Rate of Return	0%	5%	5%	0%
15 YEARS	Home Value	\$436,773	\$436,773	\$436,773	\$0
	Loan Balance	\$248,878	\$251,358	\$126,800	\$0
	Equity	\$187,895	\$185,414	\$309,973	\$0
	<b>Accum. Total</b>	<b>\$0</b>	<b>\$28,417</b>	<b>\$28,417</b>	<b>\$0</b>
15 YEARS	<b>Net Worth</b>	<b>\$187,895</b>	<b>\$213,831</b>	<b>\$338,389</b>	<b>\$0</b>
	Home Value	\$506,339	\$506,339	\$506,339	\$0
	Loan Balance	\$207,884	\$209,771	\$0	\$0
	Equity	\$298,455	\$296,569	\$506,339	\$0
	<b>Accum. Total</b>	<b>\$0</b>	<b>\$48,914</b>	<b>\$48,914</b>	<b>\$0</b>
	<b>Net Worth</b>	<b>\$298,455</b>	<b>\$345,483</b>	<b>\$555,253</b>	<b>\$0</b>
	<b>Freedom Point</b>	<b>29.00 yrs.</b>	<b>24.08 yrs.</b>	<b>13.50 yrs.</b>	<b>0 yrs.</b>

## 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 '15 Yr Fixed' 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 '15 Yr Fixed' has the potential to create the most wealth for your situation in 15 yrs. The plan in column titled '15 Yr Fixed' will help you reach your Freedom Point the soonest.



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## PROGRAM DETAILS

	Current Mortgage		30 Yr fixed		15 Yr Fixed		Program 4	
	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg
Value	\$325,000		\$325,000		\$325,000		\$325,000	
Equity (%)	7.138 %		4.919 %		4.919 %		100.000 %	
Loan Amount	\$301,802		\$309,014		\$309,014		\$0	
Loan Type	Fixed		Fixed		Fixed		Fixed	
Interest Rate	6.000 %		5.000 %		4.500 %		0.000 %	
Term	348		360		180		360	
Closing	\$0		\$6,269		\$6,269		\$0	
Points	0.000 %		0.000 %		0.000 %		0.000 %	
APR	6.000 %		5.177 %		4.802 %		0.000 %	
Principal & Int.	\$1,832		\$1,659		\$2,364		\$0	
Mtg. Ins.	\$125		\$139		\$139		\$0	
<b>Total P&amp;I</b>	<b>\$1,957</b>		<b>\$1,798</b>		<b>\$2,503</b>		<b>\$0</b>	
Index								
Margin								
LifeCap								
Scenario								
First Adj Cap								
First Adj Mos								
Adj Cap								
Adj Month								
HOA	\$0		\$0		\$0		\$0	
Haz Ins.	\$79		\$79		\$79		\$0	
Prop Taxes	\$450		\$367		\$367		\$0	
Other	\$0		\$0		\$0		\$0	
<b>Pymt. Adjust.</b>								
Adj Cap %								
Adj Cap (Mos)								
Recast Prd/Stop								
Max Balance								
<b>PITI</b>	<b>\$2,486</b>		<b>\$2,244</b>		<b>\$2,949</b>		<b>\$0</b>	
Term Reduction	\$0		\$183		\$183		\$0	
<b>Total PITI</b>	<b>\$2,486</b>		<b>\$2,427</b>		<b>\$3,132</b>		<b>\$0</b>	
Mo. Asset Accu.	\$0		\$183		\$183		\$0	
Asset Accum. Int. Rate	0.000 %		5.000 %		5.000 %		0.000 %	
Asset Accum. Open	\$0		\$0		\$0		\$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.

