



TOTAL COST ANALYSIS

Prepared by Peter Boyle
October 16, 2009

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Prepared For: Conventional 15 year Borrower
TBD Lakeville, MN 55372

SUMMARY					
	Program Name	Current Loan	Refi 15 Yr	Refi 12 Yr	Current w paydo
1ST MTG.	Loan Amount	\$153,945	\$158,000	\$158,000	\$153,944
	Interest Rate	5.5%	4.375%	4.375%	5.5%
	Term (months)	264	180	156	156
	Payment	\$1,007	\$1,199	\$1,330	\$1,383
	Mtg. Ins.	\$0	\$0	\$0	\$0
	Monthly Pmt.	\$1,007	\$1,199	\$1,330	\$1,383
	Net Savings	\$377	\$185	\$54	\$0

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 \$300,000, appreciation assumption 0%

TOTAL COST ANALYSIS					
	Program Name	Current Loan	Refi 15 Yr	Refi 12 Yr	Current w paydo
0 MONTHS ANALYSIS	Total Payment	\$181,182	\$215,752	\$207,448	\$215,820
	Principal Paid	\$83,899	\$158,000	\$158,000	\$153,944
	Int & MI Paid	\$97,284	\$57,752	\$49,448	\$61,876
	Balance Left	\$70,046	\$0	\$0	\$0
	Closing & Points	\$0	\$4,000	\$4,000	\$0
	Total Cost	\$97,284	\$61,752	\$53,448	\$61,876
	Net Savings	\$0	\$35,532	\$43,836	\$35,408

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 Loan	Refi 15 Yr	Refi 12 Yr	Current w paydo
10 YEARS	Opening Balance	\$0	\$0	\$0	\$0
	Monthly Amount	\$0	\$0	\$0	\$0
	Rate of Return	0%	0%	0%	0%
15 YEARS	Home Value	\$300,000	\$300,000	\$300,000	\$300,000
	Loan Balance	\$105,935	\$64,490	\$44,788	\$45,816
	Equity	\$194,065	\$235,510	\$255,212	\$254,184
	Accum. Total	\$0	\$0	\$0	\$0
15 YEARS	Net Worth	\$194,065	\$235,510	\$255,212	\$254,184
	Home Value	\$300,000	\$300,000	\$300,000	\$300,000
	Loan Balance	\$70,046	\$0	\$0	\$0
	Equity	\$229,954	\$300,000	\$300,000	\$300,000
	Accum. Total	\$0	\$0	\$0	\$0
	Net Worth	\$229,954	\$300,000	\$300,000	\$300,000
	Freedom Point	22.00 yrs.	15.00 yrs.	13.00 yrs.	13.00 yrs.

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 'Refi 12 Yr' 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 'Refi 12 Yr' has the potential to create the most wealth for your situation in 15 yrs. The plan in column titled 'Refi 12 Yr' will help you reach your Freedom Point the soonest.



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PROGRAM DETAILS

	Current Loan		Refi 15 Yr		Refi 12 Yr		Current w paydown	
	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg	1st Mtg	2nd Mtg
Value	\$300,000		\$300,000		\$300,000		\$300,000	
Equity (%)	48.685 %		47.333 %		47.333 %		48.685 %	
Loan Amount	\$153,945		\$158,000		\$158,000		\$153,944	
Loan Type	Fixed		Fixed		Fixed		Fixed	
Interest Rate	5.500 %		4.375 %		4.375 %		5.500 %	
Term	264		180		156		156	
Closing	\$0		\$4,000		\$4,000		\$0	
Points	0.000 %		0.000 %		0.000 %		0.000 %	
APR	5.500 %		4.750 %		4.800 %		5.500 %	
Principal & Int.	\$1,007		\$1,199		\$1,330		\$1,383	
Mtg. Ins.	\$0		\$0		\$0		\$0	
Total P&I	\$1,007		\$1,199		\$1,330		\$1,383	
Index								
Margin								
LifeCap								
Scenario								
First Adj Cap								
First Adj Mos								
Adj Cap								
Adj Month								
HOA	\$0		\$0		\$0		\$0	
Haz Ins.	\$81		\$83		\$83		\$81	
Prop Taxes	\$275		\$275		\$275		\$275	
Other	\$0		\$0		\$0		\$0	
Pymt. Adjust.								
Adj Cap %								
Adj Cap (Mos)								
Recast Prd/Stop								
Max Balance								
PITI	\$1,363		\$1,557		\$1,688		\$1,739	
Term Reduction	\$0		\$0		\$0		\$0	
Total PITI	\$1,363		\$1,557		\$1,688		\$1,739	
Mo. Asset Accu.	\$0		\$0		\$0		\$0	
Asset Accum. Int. Rate	0.000 %		0.000 %		0.000 %		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.

