

Total Cost Analysis }

See how selecting the right mortgage program can make a life changing difference in your financial future.

 Niche Lending

Tim Storm

Certified Mortgage Planning Specialist

Mortgage Consulting & Planning

Total Cost Analysis }

Our exclusive total cost analysis shows you how to save thousands on your home mortgage. That is why smart homeowners insist on having a total cost analysis performed before they make a decision on a home mortgage.

1 **Loan Summary** – Finally! Now you can compare four loan options side by side. You can see the loan amount, interest rates, loan terms and monthly payments.

2 **Total Payments** – Which of your loan options has the lowest monthly payment? This feature will give you the answer.

3 **Term of Comparison** – It's critical for you to analyze different loans based on how long you plan to live in the home. Knowing the answer to this can save you thousands of dollars.

4 **Total Cost Analysis** – How can you possibly keep track of all the subtle differences in cost between loan programs? This section does it for you. We help you calculate your total monthly payments, principal paid, total interest cost, total closing cost and loan balance left at the end of the determined term—on four loans simultaneously.

5 **Total Cost** – There is only one question you should ask a lender—and it isn't which loan has the lowest interest rate or fees. Instead ask, "What is the lowest total cost loan over the time I plan to stay in the home?" The difference between those two questions can save you many thousands of dollars. This section gives you the true bottom-line answer.

6 **Mortgage Plan with Asset Accumulation** – This section integrates the mortgage decision into your overall financial plan to help you make an informed decision based on your assumptions.

7 **Net Worth** – This section reflects your Net Worth based on your home's appreciation and investment growth assumptions.

Total Cost Analysis

Neil Armstrong
123 Sunset Lane
Bel Air, CA 90077

The purpose of this analysis is to help you make an informed decision when selecting your home loan.

Prepared by
Neil Armstrong
Date prepared
4/29/2005

FOLLOW THESE 3 SIMPLE STEPS:

1. Review the SUMMARY of your loans. Details for each program can be found on the second page.
2. Next, review the TOTAL COST ANALYSIS for each loan so that you can compare which program might be right for your financial situation.*
3. Finally, review the suggested Debt Free or Asset Accum. plan to see how you can save thousands on your loan. Also, you can review the MONTHLY TAX BENEFITS.

		30 Fix 1 Pt	30 Fix 0 Pts	5 Yr I/O 1 Pt	5 Yr I/O 0 Pt
1st	Loan Amount	\$280,000	\$280,000	\$280,000	\$280,000
	Interest Rate	6.125%	6.375%	5.250%	5.875%
	Term (months)	360	360	Int. Only	Int. Only
	P&I	\$1,701	\$1,747	\$1,225	\$1,371
MI	\$0	\$0	\$0	\$0	
2nd	Loan Amount	\$0	\$0	\$0	\$0
	Interest Rate	0.000%	0.000%	0.000%	0.000%
	Term (months)	Int. Only	Int. Only	Int. Only	Int. Only
	P&I	\$0	\$0	\$0	\$0
Totals	Total Payment	\$1,701	\$1,747	\$1,225	\$1,371
	Net Savings	\$46	\$0	\$522	\$376

SUMMARY

This summary table displays information on up to four loan programs, including their respective fees and monthly payments.

Each program shows a first mortgage, and possibly a second mortgage.

Although this table will show you which loan will provide you the lowest payment, such a loan may not be the right loan for your financial situation.*

		30 Fix 1 Pt	30 Fix 0 Pts	5 Yr I/O 1 Pt	5 Yr I/O 0 Pt
Months: 60	Total Payment	\$102,079	\$104,810	\$73,500	\$82,250
	Principal Paid	\$19,049	\$18,269	\$0	\$0
	Int / MI Paid	\$83,030	\$86,541	\$73,500	\$82,250
	Balance Left	\$260,951	\$261,731	\$280,000	\$280,000
Closing & Pts.	\$5,900	\$5,900	\$5,900	\$5,900	
Total Cost	\$88,930	\$92,441	\$79,400	\$88,150	
Net Savings	\$3,511	\$0	\$13,041	\$4,291	

TOTAL COST ANALYSIS

A true loan comparison cannot be made simply by comparing the payments that a loan offers. There are various other fees and issues which effect the overall cost of a loan. The table at the right analyzes the difference in total overall cost of your home loan.

Evaluating the total cost is the key to selecting the lowest cost mortgage for your individual needs.*

		30 Fix 1 Pt	30 Fix 0 Pts	5 Yr I/O 1 Pt	5 Yr I/O 0 Pt
Months: 60	Monthly Amount	\$46	\$0	\$522	\$376
	Int. Rate	8%	0%	8%	8%
	Home Value	\$350,000	\$350,000	\$350,000	\$350,000
	Loan Balance	\$269,275	\$269,741	\$280,000	\$280,000
Equity	\$80,725	\$80,259	\$70,000	\$70,000	
Accum. Total	\$1,923	\$0	\$21,823	\$15,719	
Net Worth	\$82,648	\$80,259	\$91,823	\$85,719	
Months: 60	Home Value	\$350,000	\$350,000	\$350,000	\$350,000
	Loan Balance	\$260,951	\$261,731	\$280,000	\$280,000
	Equity	\$89,049	\$88,269	\$70,000	\$70,000
	Accum. Total	\$3,448	\$0	\$39,133	\$28,187
Net Worth	\$92,497	\$88,269	\$109,133	\$98,187	
Assets > Debts	27.17 yrs	30.00 yrs	16.50 yrs	17.33 yrs	

MORTGAGE PLAN WITH ASSET ACCUMULATION

This Mortgage Plan is designed to help you make an informed decision on a mortgage integrated with your overall financial plan. This example displays an estimated Real Estate value combined with potential investment account growth.*

Years: 3

Years: 5

		30 Fix 1 Pt	30 Fix 0 Pts	5 Yr I/O 1 Pt	5 Yr I/O 0 Pt
Tax Brac: 33%	1st Mortgage	\$472	\$491	\$404	\$452
	2nd Mortgage	\$0	\$0	\$0	\$0
	Property Tax	\$120	\$120	\$120	\$120
	Total Monthly	\$592	\$611	\$525	\$573
Net Savings	\$67	\$87	\$0	\$48	

MONTHLY TAX BENEFIT

Consider the tax benefits of your home mortgage. By consolidating your non-tax deductible debt (credit cards, etc.) into your mortgage, you can save \$\$\$ This is just an estimate - contact your tax consultant for advice.

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 tax programs and (iv) information and assumptions discussed with your advisor, all of which might change over time. If the information or assumption 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.

Copyright (c) 2005, WowTools Inc. All Rights Reserved.

8 **Monthly Tax Benefit** – Home ownership has definite tax advantages. This feature will give you an estimate of the monthly savings that tax benefits can bring you. We advise that you give this information to a tax consultant for an even more accurate picture.

9 **Tax Bracket** – This is an estimate of your tax bracket. You still need to consult with your tax advisor.

Tim Storm

Certified Mortgage Planning Specialist
Mortgage Consulting & Planning

18851 Bardeen Ave, #210, Irvine, CA 92612
Phone: (949) 706-0644 Fax: (888) 726-9010
Toll Free: (888) 491-2001 Email: TStorm@NicheLending.com
Web Site: www.NicheLending.com