



MORTGAGE SHOPPING WORKSHEET

Name of Lender	Lender 1	Lender 2
Name of Contact		
Date of Contact		
Mortgage Amount		

BASIC INFORMATION ABOUT THE LOAN	Mortgage 1	Mortgage 2	Mortgage 1	Mortgage 2
What type of loan is it?				
Fixed Rate				
Variable (Adjustable) Rate				
Conventional				
FHA, VA				
Other? _____				
Minimum Down Payment				
Loan Term (Length of Loan)				
Contract Interest Rate				
Annual Percentage Rate (APR)				
Points (Sometimes called Discount				
Estimated Monthly Payment				
Does this include escrow for taxes and insurance?				
If YES, how much is for escrow?				
Does the loan have PMI (Mortgage Insurance)?				
How much a month and for how long?				
FEES - Different lenders have different terms, this is a list of typical fees				
Origination or Underwriting Fee				
Broker Fees (Maybe quoted as points origination fees, or interestrate add on)				
Application or Loan Processing Fee				
Lender Fee or Funding Fee				
Appraisal Fee				
Credit Report				
Attorney Fees				
Recording Fees				
Document Preparation				
Yield Spread Premium (YSP) - Paid to Broker				
Other Fees:				
1)				
2)				
OTHER CLOSING OR SETTLEMENT COSTS				
Title Search				
Title Exam/Binder				

Title Insurance				
Estimated prepaids for interest, taxes, hazard insurance and escrow payments				
State and Local Taxes, stamp taxes, transfer taxes				
Flood Determination				
Prepaid PMI				
Surveys				
Home inspections/Pest inspection				
TOTAL FEES AND CLOSING COSTS ESTIMATES				

	Lender 1		Lender 2	
OTHER QUESTIONS & CONSIDERATIONS ABOUT LOAN	Mortgage 1	Mortgage 2	Mortgage 1	Mortgage 2
Can any of these fees or costs be waived?				
Prepayment Penalties				
Is there a prepayment penalty?				
If YES, how much is it?				
How long does it last (3 yrs, 5 yrs)?				
Are extra principal payments allowed?				
Balloon Loans				
Is it a Balloon Loan?				
If YES, how much is the payment?				
When is it due?				
Lock-Ins (Rate Locks)				
Is there a lock-in agreement in writing?				
Is there a fee to lock the rate?				
When does the lock-in occur? - at application , approval or another time				
How long does it last?				
When the rate drops before closing, can you lock-in at a lower rate?				
Variable or Adjustable Rate Loans				
What is the initial rate?				
What is the maximum the rate could be next year?				
What are the rate and payment caps each year and over the life of the loan?				
What is the frequency of the rate change and any changes to monthly payment?				
What is the index the lender will use?				
What margin will the lender add to the index?				
Credit Life/Disability Insurance				
Does the monthly amount quoted to you include a charge for credit insurance?				
If so, does the lender require it as a condition of the loan?				
How much does it cost?				
If the lender does not require it and you still want it, what rates can you get from other insurance companies?				
Arbitration Clause				
Is there an arbitration clause?				
If YES, is there a cost to you?				

MORTGAGE TERMS

Annual Percentage Rate (APR): Cost of the credit, which includes the interest and all other finance charges. If APR is more than .75 to 1 percentage point higher than the interest rate you were quoted, there are significant fees being added to the loan.

Points: Fees paid to the lender to obtain the loan. One point is equal to 1% of the loan amount. Points should be paid at the time of the loan.

Prepayment Penalty: Fees required to be paid by you if the loan is paid off early. Try to avoid any prepayment penalty that lasts more than 3 years or is for more than 1-2% of the loan amount. Certain high rate/high cost loans may not have prepayment penalties under state and federal laws.

Balloon Payment: Large payment due at the end of a loan. This happens when a borrower has a low monthly payment covering only interest and a small portion of the principal, leaving almost the whole loan amount due in one payment at the end. If you cannot make this payment, you could lose your home.

Yield Spread Premium (YSP): Payment to the broker for selling a higher interest rate loan than would otherwise be charged for that borrower. It must be disclosed to the borrower at the time of the loan and is generally acceptable if there are no other broker fees and this is how the broker is getting paid for his or her services.

Appraisal: A determination of the value of a home by a third party who is hired by the lender to assure the home has enough value to pay off the loan should the borrower default. It is typically paid for by the borrower.

Loan Origination Fees: Fees paid to the lender or broker for handling the paperwork in arranging the loan. These are prepaid finance charges paid at the loan closing and are included in your APR calculation.

Escrow: The holding of money or documents by a neutral third party prior to closing. It can also be an account held by the lender (or servicer) into which a homeowner pays money for taxes and insurance.

Interest Rate: The cost of borrowing money expressed as a percentage rate.

Lock-In: A written agreement guaranteeing a home buyer a specific interest rate on a home loan provided that the loan is closed within a certain period of time, such as 60 or 90 days. Often the agreement also specifies the number of points to be paid at closing.

Private Mortgage Insurance (PMI): Insurance that protects the lender against a loss if a borrower defaults on the loan. It is usually required for loans in which the down payment is less than 20 percent of the sales price or, in a refinancing, when the amount financed is greater than 80 percent of the appraised value.

Ensuring a fair and secure financial services marketplace for all Californians.



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