

NOTICE to Readers of HUD Mortgage Disclosure Forms Testing Reports

On July 29, 2002, the Department of Housing and Urban Development (HUD) proposed a new rule under the Real Estate Settlement Procedures Act (RESPA) to simplify and improve the process for consumers to obtain home mortgages. Between 2003 and 2004, HUD tested several versions of mortgage disclosure forms, including a Good Faith Estimate (GFE) and Mortgage Package Offer (MPO) form, in several locations throughout the United States.

In July and August 2005, HUD held seven roundtable discussions about possible changes to HUD's RESPA regulations with industry, including small business entities, consumers, and other interested parties. HUD reached out for public reaction to the GFE and other disclosure forms it was considering. HUD currently expects to propose changes to its RESPA regulations that would, among other things, improve and standardize the GFE to improve disclosure of loan terms and settlement costs.

These documents describe the testing performed during 2003 and 2004 and the development of the forms tested to improve borrower comprehension of the material presented and eliminate potential bias against mortgage brokers. The final round of consumer testing showed that participants using the GFE form developed, were highly successful in identifying the cheapest loans with success rates in the 90-plus percent range whether the GFE offer was from a lender, mortgage broker or the two offers cost the same. The RESPA reform final rule that the testing was initially designed to support was withdrawn in 2004.

HUD is no longer considering the Mortgage Package Offer, and the new GFE to be proposed will reflect improvements to the prior form.

This file covers the fourth and fifth rounds of testing and contains the tested forms and testing scripts that were used (reports on the test results are in the volume 1 file). Rounds 4 and 5 were primarily quantitative tests of the consumers' ability to use the forms to identify the lowest cost loan, and show that the design of the Yield Spread Premium disclosure required of mortgage brokers was successful in eliminating consumer bias against brokers in identifying the lowest cost loan.



Testing HUD's New Mortgage Disclosure Forms With American Homebuyers

Rounds 4 & 5

Volume 2: Appendices

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Prepared for:

**U.S. Department of Housing and Urban Development
Office of Policy Development and Research**

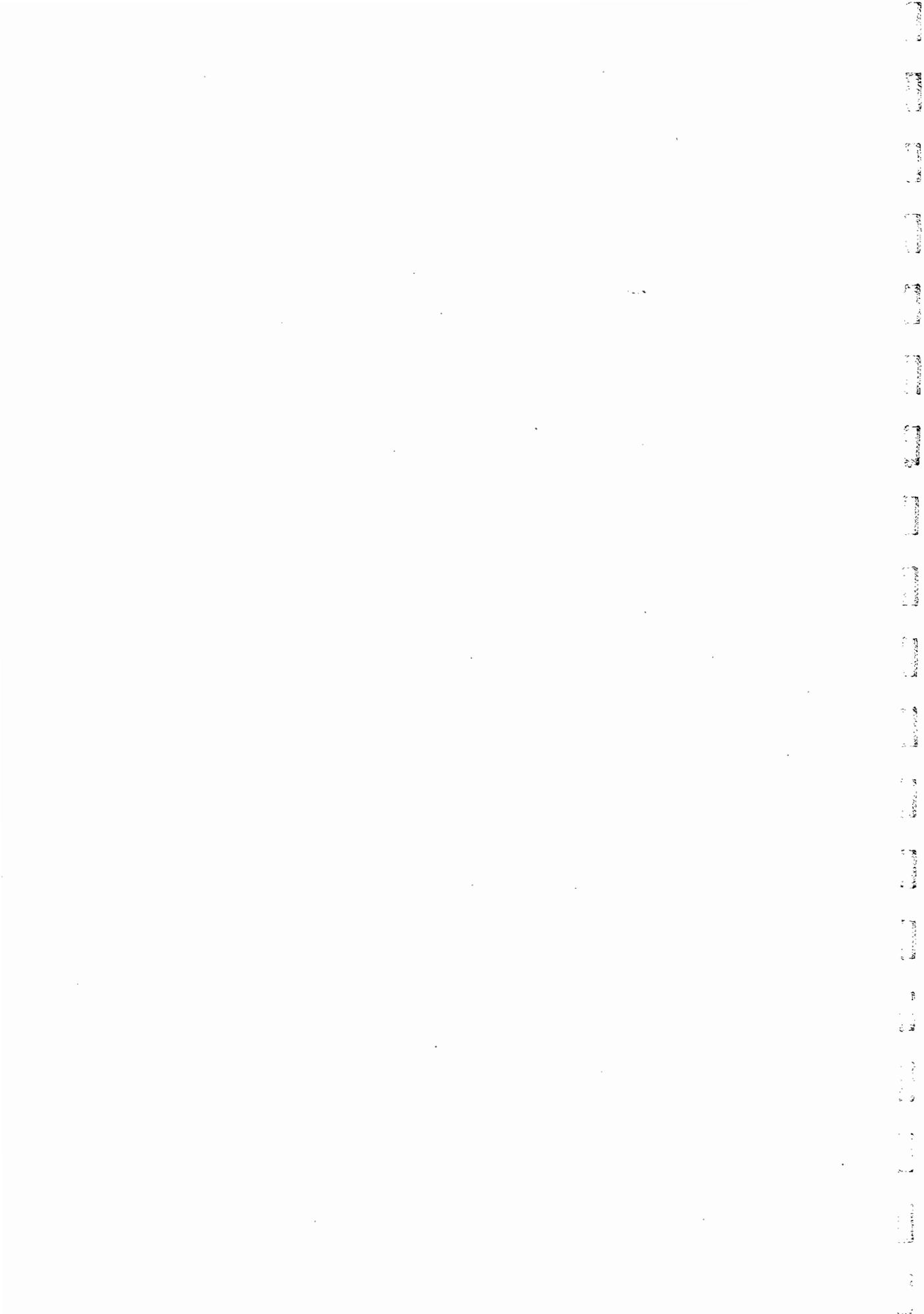
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Washington, DC**

March 2004

Appendix A: Round 4 Testing Materials

Round 4 Screening Protocol



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HUD Testing: Screening Protocol for Potential Borrowers (Attachment A-Part 1)

Eligibility Requirements

We are testing a total of 600 new and experienced potential borrowers in five sites. We intend to recruit a mix of participants from these groups, with 10% who are current shoppers which is defined as those who are currently shopping for a mortgage, but have not otherwise obtained a mortgage in the previous three years. The remaining participants (experienced buyers) will have purchased a home at least once previously. For the experienced homebuyers we will recruit those who have purchased or refinanced in the past three years. All participants must be able to read and write English. In addition to home-buying interest and experience, we also have some demographic considerations. We intend to test 600 participants across all sites that fall into the following categories:

- The elderly—defined as 55 years or older
- African Americans
- Hispanic Americans—defined by self-identification
- Low education—defined as not having graduated from high school

Recruitment by Site

In each location, we will recruit 150 participants, in order to have 120 show up for the testing. They must meet the requirements shown in the following table.

Individual Potential Homebuyers	
Number needed	Criteria
All 150	Can read and write English
At least 20, but not more than 23 of the 150	Consider themselves African American or Hispanic American
At least 24, but not more than 26 of the 150	Are age 55 or older
At least 83, but not more than 85 of the 150	Are age 35 to 54
At least 43, but not more than 47 of the 150	Are age 18 to 34
At least 47, but not more than 50 of the 150	Have high school education or below
At least 130, but not more than 140 of the 150	Have obtained a mortgage within the previous three years
At least 10, but not more than 20 of the 150	Are "Current Shoppers" – currently shopping for a mortgage but have not otherwise obtained a mortgage in the previous three years

Script for participant recruitment phone call (Attachment A-Part 2)

1. Hello, my name is (FIRST AND LAST NAME) may I speak to (NAME FROM CALL RECORD LABEL)?

IF SOMEONE OTHER THAN R ASKS WHY YOU ARE CALLING, SAY: I'm calling regarding an important study of loan and settlement costs for buying a home, including houses, townhouses, and condominiums. We are paying participants to help us with this study.

(Check One Answer)

_____ NO ONE BY THAT NAME AT THIS NUMBER

_____ SPEAKING TO R;R COMES TO THE PHONE --> SKIP TO Q3

2. CONFIRM YOU HAVE DIALED CORRECTLY. ASK IF RESPONDENT WAS EVER AT THIS NUMBER (DO THEY HAVE HIS/HER NEW NUMBER)?

IF NO NEW NUMBER IS GIVEN, FINALIZE AS NOT LOCATED.

3. Hello, my name is _____ and I'm calling from (MARKETING COMPANY'S NAME) for the Kleimann Communication Group. The Kleimann Communication Group, along with the U.S. Department of Housing and Urban Development (HUD), is conducting a study of homebuyer perceptions of loan and settlement costs. We will pay you \$__ to participate in this study and your responses will be kept completely confidential.

This project is intended to find out what people think of new forms that HUD has developed to assist consumers with home purchases.

We have chosen you to participate in an interview being held during the week of (insert week). In this interview, we will ask you to read some new forms that HUD has developed to see your reaction to them. We will pay you the \$__ at the end of the interview for your participation. Do you have a few minutes to answer some pre-qualifying questions (IF NO, WHAT WOULD BE A CONVENIENT TIME TO CALL BACK?)

PROBE: (We are not selling anything, we are looking to recruit people to help out with a nationwide study the HUD is conducting. Everything you say is confidential, and your identity is not given to HUD.)

IF NEEDED: The exact location of the interview is _____.

(Check One Answer)

YES -->CONTINUE WITH Q4.

NO --> CALL BACK TIME _____

REFUSE --> END OF INTERVIEW, THANK R.

4. In the last three years have you obtained a mortgage? Either by purchasing or refinancing a home—including a house, townhouse, or condominium?
- Yes Skip to question 6
 - No Go to question 5
5. Are you currently shopping for a mortgage but have not obtained a mortgage in the last three years?
- Yes Go to question 6
 - No [*Terminate*] I am sorry, but you do not fit the background we need for participation in this particular study. Thank you for talking with us.
6. Do you primarily read and speak English at home?
- Yes Go to question 8
 - No [*Terminate*] I am sorry, but you do not fit the background we need for participation in this particular study. Thank you for talking with us.
7. Which of the following age groups are you in?
- 18 to 34
 - 35 to 54
 - 55 and older
8. What is your gender? (INFER IF CLEAR, OTHERWISE ASK)
- Male
 - Female
9. Are you currently married?
- Yes
 - No
10. What is the highest level of education you have completed?
- High School, GED, or less than High school
 - Some college
 - College graduate
 - Graduate school
11. Are you of Hispanic or Latino origin?
- Yes
 - No

12. What is your race? You may select one or more than one category.

- American Indian or Alaskan Native
- Asian
- Black or African-American
- Native Hawaiian or other Pacific Islander
- White

13. I will now give you the interview times that we have available. (CALENDAR TO BE UPDATED BEFORE EACH CALL) [Revise this calendar as necessary.]

Day and date	9:00 a.m.	11 a.m.	2:00 p.m.	5 p.m.	7 p.m.
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					

- _____ NO, CAN'T MAKE THOSE TIMES -- > THANK FOR TIME, END OF INTERVIEW
- _____ REFUSE -- > THANK R FOR TIME, END OF INTERVIEW

14. I will send you a letter confirming the time and date of the interview, and giving you the exact location of the group. The letter will include a number for you to call if you have any questions. In order to send you the letter, I need to have your current address.

IF MARKETING GROUP DOES NOT HAVE ADDRESS LISTED, ASK R TO GIVE A CURRENT ADDRESS AND LIST BELOW.

IF MARKETING GROUP HAS ADDRESS LISTED, ASK IF IT IS STILL CORRECT:

(Check One Answer)

- _____ YES, ADDRESS IS CORRECT --- > CONTINUE WITH Q14
- _____ NO, ADDRESS IS NOT CORRECT -- > MAKE CORRECTIONS BELOW, THEN ASK Q.

ADDRESS: _____

CITY/STATE/ZIP: _____

15. And to make sure I send it to the right person, can I check the spelling of your name? (VERIFY NAME IS CORRECT AS LISTED ON CALL RECORD, MAKE ANY CHANGES BELOW)

(Check One Answer)

- _____ YES, NAME IS CORRECT --- > CONTINUE WITH Q15
- _____ NO, NAME IS NOT CORRECT-- > MAKE CORRECTIONS BELOW, THEN ASK Q15

R'S CORRECT NAME: _____

16. We will need to call you the day before the interview to remind you about the appointment. Is it ok to call you at this number?

(Check One Answer)

- YES, OK TO CALL THIS NUMBER. --- > CONTINUE WITH Q16.
 NO, CALL DIFFERENT NUMBER -- > RECORD NUMBER BELOW

NUMBER TO CALL TO REMIND R: _____ THEN Q16.

Thank you for your help. I'm glad you can come to the interview. Please watch for a reminder letter from the Kleimann Communication Group [or from the recruiter].

Acknowledgment Letter to Participants (Attachment A-Part 3)

Dear [participant]:

Thank you for agreeing to participate in the research being conducted by Kleimann Communication Group. Below is the date, time, and location that we have reserved for you. We are also attaching directions for you. Please remember to bring your glasses or contacts if you use them to read.

[Date, time, and location here]

If you cannot keep this appointment, please call us at [local number here].

We look forward to meeting you and having your valuable insights for this important research.

Sincerely,

OR

Recruiting Agency, Inc.

Dear Guest:

Recently, one of our staff members invited you to attend a market research study. You have been specially selected to participate in that study with a limited number of other persons. This letter will confirm your attendance, and we look forward to seeing you in our office.

When you come, you will have the opportunity to express your opinions about certain topics that we discussed with you earlier. We are not selling anything and you will not be involved in any form of sales or sales follow-up as a result of participating in our study. We are very interested in hearing what you have to say.

Your attendance at our research study is confirmed for the time and date shown below. We ask that you please be prompt for your scheduled appointment. Should you find that you cannot meet your scheduled time, we ask you to call (____)____-____ so that we may reschedule you.

Please remember to bring your glasses or contacts if you use them to read.

Since our research study has a limited number of reservations, we have confirmed only the person to whom this letter is addressed. As a gift of our appreciation, each person who completes our study will be given \$__ cash.

The location where the research study will be held is our _____ office. It is located at _____.

Thank you in advance for helping us and we look forward to seeing you.

Cordially,

Director/Manager

DATE: _____

DAY: _____

TIME: _____ a.m. / p.m.

LENGTH OF SESSION: _____

MONETARY GIFT: _____

Participant Reminder Telephone Script (Attachment A-Part 4)

1. Hello, my name is (FIRST AND LAST NAME). May I speak to (NAME FROM CONFIRMED PARTICIPANT LIST)?

SPEAKING TO R;R COMES TO THE PHONE --> SKIP TO Q3

IF SOMEONE OTHER THAN R ASKS WHY YOU ARE CALLING, SAY: I'm calling regarding an important study of mortgage costs that NAME FROM CONFIRMED PARTICIPANT LIST is participating in. Is CONFIRMED PARTICIPANT in?

2. IF NO, ASK, May I leave a message for him or her? GO TO Q3

3. My name is (FIRST AND LAST NAME) and I'm calling from (MARKETING COMPANY'S NAME) for the Kleimann Communication Group to confirm NAME OF CONFIRMED PARTICIPANT'S or YOU'RE participation on DATE AND TIME for the settlement costs study. Will you still be able to make it? Please remember to bring your glasses or contacts if you use them to read.

IF LEAVING A MESSAGE SAY, will you please give NAME OF CONFIRMED PARTICIPANT this message and have NAME OF CONFIRMED PARTICIPANT call me at TELEPHONE NUMBER if HE or SHE will not be able to make it.

THANK PARTICIPANT OR PERSON TAKING MESSAGE.

**Round 4 Participant Confidentiality
Statement and Consent Form and
Demographic Questionnaire**

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Confidentiality Statement and Consent Form

This project will collect information on the ability of first-time and experienced homebuyers to understand newly designed Good Faith Estimate forms used at settlement. We want to assure you that we maintain the confidentiality of your identity and participation in this project.

This form is to inform you of your rights as you talk with us today.

We want you to understand the following:

- Your participation is completely voluntary. You do not have to answer any questions you do not want to.
- You may stop participating at any time.
- Your answers and comments will be kept confidential. Your name will not be used in any report for this project.
- The interview will take no more than 30 minutes to complete. You will receive a payment at the completion of the interview.
- Even if you sign this form, you can stop participating at any time.

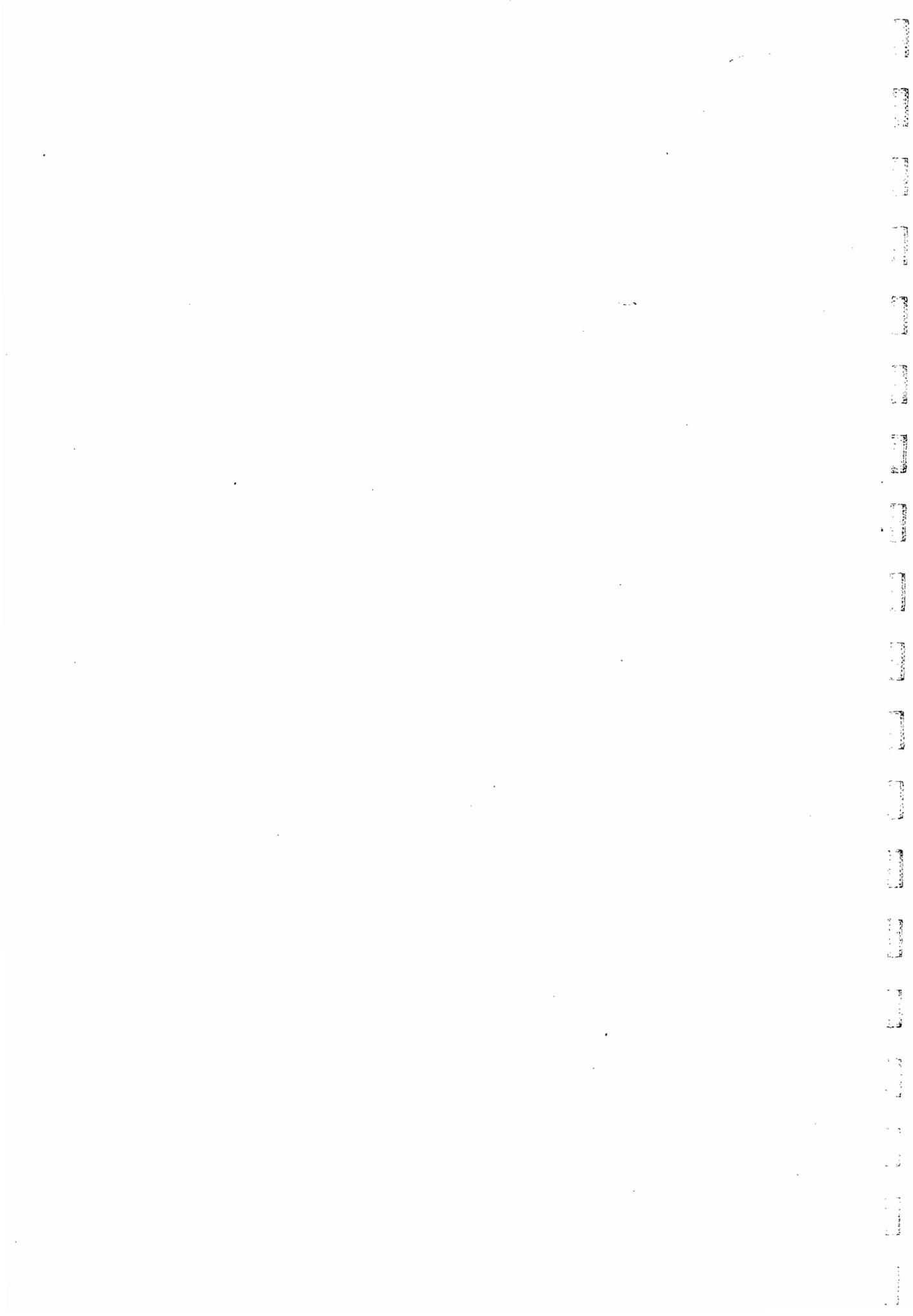
If you agree to help us, please print your name, then sign and date this form below.

We thank you for your participation in this important project to improve the ability of borrowers to understand mortgage lending and real estate transactions.

Your Name _____

Your Signature _____

Today's Date _____



Participant's Questionnaire

Thank you for agreeing to meet with us today. Before we begin our work, we ask that you take no more than two minutes to fill out a brief questionnaire. We will use this information to help us report our findings. We will not use your name in our reports.

Please check the appropriate boxes.

1. What is your gender?
 - Male
 - Female

2. What is your age?
 - 21 or younger
 - 22 to 34
 - 35 to 44
 - 45 to 54
 - 55 to 64
 - 65 or older

3. Are you of Hispanic or Latino origin?
 - Yes
 - No

4. What is your race? You may select one or more than one category.
 - American Indian or Alaskan Native
 - Asian
 - Black or African-American
 - Native Hawaiian or other Pacific Islander
 - White

5. What is the highest level of education you have completed?
 - Less than high school
 - High school or GED
 - Some college or a 2-year college program
 - College graduate
 - Graduate school

→ Please turn page over

6. What was your gross household income (your income before taxes) last year?
- Less than \$20,000
 - \$20,000 to \$39,999
 - \$40,000 to \$59,999
 - \$60,000 to \$79,999
 - \$80,000 to \$99,999
 - \$100,000 or more
7. Are you married?
- Yes
 - No
8. Have you purchased or refinanced a home, including houses, townhouses, and condominiums, in the last three years?
- Yes
 - No
9. Are you planning to purchase a home, including houses, townhouses, and condominiums?
- Yes
 - No
10. In the last year, have you...? (check all that apply)
- Gone to look at homes for sale at open houses
 - Contacted a real estate agent
 - Pre-qualified for a mortgage loan

Thank you. You have finished the questionnaire.

**Round 4 Good Faith Estimate (GFE)
Forms, Without Yield Spread Premium
(YSP)**

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Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Pine Tree Bank Borrower Terry Treeless
 Phone 888-999-5555 SSN 555-66-8888
 Address 2700 Land Drive Property Address 123 Fern Lane
Somewhere, CO 20173 Anywhere, USA 70476

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 01/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	<u>7.5</u> %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	<u>30</u> years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$ <u>2,000.00</u>
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$ <u>3,700.00</u>
Total Estimated Settlement Charges	\$ <u>5,700.00</u>

Understanding
Your
Estimated
Settlement
Charges

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$ 2,000.00
2. Your charge or credit for the specific interest rate chosen (Points) <input type="checkbox"/> For a higher interest rate loan—the payment by the lender on your behalf that reduces the up-front charge you pay <input type="checkbox"/> For a lower interest rate loan—the additional up-front charge you pay the lender (discount points)	—
A Your Adjusted Origination Charges	\$ 2,000.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.	
Service	Cost
Appraisal	\$ 300.00
Credit Report	\$ 25.00
Tax Service	\$ 75.00
	\$ 400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.	\$ 900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.	
Service	Cost
Survey	\$ 200.00
	\$ 200.00
6. Taxes and fees This charge includes state and local taxes and fees.	\$ 600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	\$ 697.25
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 20.56 per day for 5 days (if your closing date is 3/27/04)	\$ 102.75
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$ 500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.	\$ 300.00
B Your Charges for All Other Settlement Services	\$ 3,700.00

A + B = Total Estimated Settlement Charges \$ 5,700.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	7.5%	7.25%	7.75%
How much your monthly payment will be	\$ 699.21	\$ 682.18	\$ 716.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$17.03 less every month	You will pay \$17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$1,000.00	Your higher interest rate will lower your settlement costs by \$1,000.00
How much your total estimated settlement charges will be	\$ 5,700.00	\$ 6,700.00	\$ 4,700.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ **350.00** which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until 1/24/04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Maple Street Bank Borrower Terry Treeless
 Phone 555-111-2222 SSN 555-66-8888
 Address 432 Acre Road Property Address 123 Fern Lane
Somewhere, CO 81073 Anywhere, USA 70476

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 1/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	<u>7.5</u> %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	<u>30</u> years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$ <u>3,000.00</u>
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$ <u>3,700.00</u>
Total Estimated Settlement Charges	\$ <u>6,700.00</u>

Understanding Your Estimated Settlement Charges

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$ 3000.00
2. Your charge or credit for the specific interest rate chosen (Points) <input type="checkbox"/> For a higher interest rate loan—the payment by the lender on your behalf that reduces the up-front charge you pay <input type="checkbox"/> For a lower interest rate loan—the additional up-front charge you pay the lender (discount points)	—
A Your Adjusted Origination Charges	\$ 3,000.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$ 300.00	
Credit Report	\$ 25.00	
Tax Service	\$ 75.00	\$ 400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$ 900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$ 200.00	
		\$ 200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$ 600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$ 697.25
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 20.55 per day for 5 days (if your closing date is 3/27/04).		\$ 102.75
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$ 500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$ 300.00
B Your Charges for All Other Settlement Services		\$ 3,700.00

A + B = Total Estimated Settlement Charges \$ 6,700.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	7.5 %	7.25 %	7.75 %
How much your monthly payment will be	\$ 699.21	\$ 682.18	\$ 716.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 17.03 less every month	You will pay \$ 17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,700.00	\$ 7,700.00	\$ 5,700.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ **350.00** which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until **1/24/04**. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Elm Financial Borrower Terry Treeless
 Phone 222-555-1111 SSN 555-66-8888
 Address 987 Yard Avenue Property Address 123 Fern Lane
Somewhere, CO 20173 Anywhere, USA 70476

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 1/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	<u>7.5</u> %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	<u>30</u> years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,700.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$ <u>6,400.00</u>



Understanding
Your
Estimated
Settlement
Charges

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your charge or credit for the specific interest rate chosen (Points) <input type="checkbox"/> For a higher interest rate loan—the payment by the lender on your behalf that reduces the up-front charge you pay <input type="checkbox"/> For a lower interest rate loan—the additional up-front charge you pay the lender (discount points)	-\$1,800.00
A Your Adjusted Origination Charges	\$ 2,700.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$ 300.00	\$400.00
Credit Report	\$ 25.00	
Tax Service	\$ 75.00	
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$ 900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$ 200.00	\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$ 600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$ 697.25
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 20.55 per day for 5 days (if your closing date is 03/27/04).		\$ 102.75
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$ 500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$ 300.00
B Your Charges for All Other Settlement Services		\$ 3,700.00

A + B = Total Estimated Settlement Charges	\$ 6,400.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	7.5 %	7.25%	7.75%
How much your monthly payment will be	\$ 699.21	\$ 682.18	\$ 716.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$17.03 less every month	You will pay \$ 17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,400.00	\$ 7,400.00	\$ 5,400.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$350.00 which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until 1/24/04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Oak Financial Borrower Terry Treeless
 Phone 999-888-5555 SSN 555-66-8888
 Address 1923 Raleigh St. Property Address 123 Fern Lane
Somewhere, CO 81073 Anywhere, USA 70476

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 01/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	<u>7.5</u> %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	<u>30</u> years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see Items 1 and 2 on page 2)	\$2,000.00
Your Charges for All Other Settlement Services (see Items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$ <u>5,700.00</u>

Understanding
Your
Estimated
Settlement
Charges

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your charge or credit for the specific interest rate chosen (Points) <input checked="" type="checkbox"/> For a higher interest rate loan—the payment by the lender on your behalf that reduces the up-front charge you pay <input type="checkbox"/> For a lower interest rate loan—the additional up-front charge you pay the lender (discount points)	-\$2,500.00
A	Your Adjusted Origination Charges \$ 2,000.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
<i>Appraisal</i>	<i>\$ 300.00</i>	
<i>Credit Report</i>	<i>\$ 25.00</i>	
<i>Tax Service</i>	<i>\$ 75.00</i>	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
<i>Survey</i>	<i>\$200.00</i>	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$697.25
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ <i>20.55</i> per day for <i>5</i> days (if your closing date is <i>3/27/04</i>).		\$102.75
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B	Your Charges for All Other Settlement Services	\$ 3,700.00

A + B = Total Estimated Settlement Charges	\$5,700.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	7.5 %	7.25 %	7.75 %
How much your monthly payment will be	\$ 699.21	\$ 682.18	\$ 716.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$17.03 less every month	You will pay \$17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 5,700.00	\$ 6,700.00	\$ 4,700.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a lower interest rate, then you will have higher settlement costs.
- If you want to choose a loan with lower settlement costs, then you will have a higher interest rate.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until 11/24/04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.

**Round 4 Good Faith Estimate (GFE)
Forms, With Yield Spread Premium
(YSP)**



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Chestnut Financial Borrower Terry Treekess
 Phone 222-555-1111 SSN 555-66-8888
 Address 987 Yard Avenue Property Address 123 Fern Lane
Somewhere, CO 20173 Anywhere, USA 70476

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 1/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	% <u>7.5</u>	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	<u>30</u> years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Our Service Charge (see item 1 on page 2)	<u>\$2,700.00</u>
Estimated Charges for All Other Settlement Services (see items 2-9 on page 2)	<u>\$3,700.00</u>
Total Estimated Settlement Charges	\$ <u>6,400.00</u>

Understanding
Your
Estimated
Settlement
Charges

Your Estimated Settlement Charges

1. Our service charge This charge is for the services we provide when we process this loan for you.		\$2,700.00
2. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	75.00	\$400.00
3. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
4. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$200.00	
		\$200.00
5. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
6. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$697.25
7. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$26.55 per day for 5 days (if your closing date is 03/27/04).		\$102.75
8. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
9. Optional owner's title insurance This charge is for insurance you can choose to buy to protect yourself from title defects.		\$300.00
Total Estimated Settlement Charges		\$6,400.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	7.5 %	7.25%	7.75%
How much your monthly payment will be	\$ 699.21	\$ 682.18	\$ 716.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$17.03 less every month	You will pay \$17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$1,000.00	Your higher interest rate will lower your settlement costs by \$1,000.00
How much your total estimated settlement charges will be	\$ 6,400.00	\$ 7,400.00	\$ 5,400.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until 1/24/04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Willow Bank Borrower Terry Treckess
 Phone 888-999-5555 SSN 555-66-8888
 Address 2700 Land Drive Property Address 123 Fern Lane
Somewhere, CO 20173 Anywhere, USA 70476

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 01/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	<u>7.5</u> %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points. Your first adjustment will occur in (months or years)
Your loan term	<u>30</u> years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Our Service Charge (see item 1 on page 2)	\$ <u>2,000.00</u>
Estimated Charges for All Other Settlement Services (see items 2-9 on page 2)	\$ <u>3,700.00</u>
Total Estimated Settlement Charges	\$ <u>5,700.00</u>

Understanding
Your
Estimated
Settlement
Charges

Your Estimated Settlement Charges

1. Our service charge This charge is for the services we provide when we process this loan for you.		\$2,000.00
2. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$ 300.00	
Credit Report	\$ 25.00	
Tax Service	\$ 75.00	\$400.00
3. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
4. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$ 200.00	
		\$200.00
5. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
6. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$697.25
7. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$20.55 per day for 5 days (if your closing date is 3/27/04).		\$102.75
8. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
9. Optional owner's title insurance This charge is for insurance you can choose to buy to protect yourself from title defects.		\$300.00
Total Estimated Settlement Charges		\$5,700.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$100,000.00	\$100,000.00	\$100,000.00
Your interest rate	7.5 %	7.25%	7.75%
How much your monthly payment will be	\$ 699.21	\$ 682.18	\$ 714.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$17.03 less every month	You will pay \$ 17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 5,700.00	\$ 6,700.00	\$ 4,700.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until 1/24/04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.



Good Faith Estimate of Settlement Costs (GFE)

3.2.50

Name of Originator Redwood City Bank Borrower Terry Treckess
 Phone 555-111-2222 SSN 555-66-8888
 Address 432 Acre Road Property Address 123 Fern Lane
Somewhere, CO 81073 Anywhere, USA 70776

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 1/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	<u>7.5</u> %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	<u>30</u> years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Our Service Charge (see item 1 on page 2)	\$ <u>3,000.00</u>
Estimated Charges for All Other Settlement Services (see items 2-9 on page 2)	\$ <u>3,700.00</u>
Total Estimated Settlement Charges	\$ <u>6,700.00</u>

Understanding
Your
Estimated
Settlement
Charges

Your Estimated Settlement Charges

1. Our service charge This charge is for the services we provide when we process this loan for you.		\$3000.00
2. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	\$75.00	\$400.00
3. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
4. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$200.00	
		\$200.00
5. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
6. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$697.25
7. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$20.55 per day for 5 days (if your closing date is 3/27/04).		\$102.75
8. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
9. Optional owner's title insurance This charge is for insurance you can choose to buy to protect yourself from title defects.		\$300.00
Total Estimated Settlement Charges		\$6,700.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$100,000.00	\$100,000.00	\$100,000.00
Your interest rate	7.5 %	7.25 %	7.75 %
How much your monthly payment will be	\$ 699.21	\$ 682.18	\$ 716.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$17.03 less every month	You will pay \$ 17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$1,000.00	Your higher interest rate will lower your settlement costs by \$1,000.00
How much your total estimated settlement charges will be	\$ 6,700.00	\$ 7,700.00	\$ 5,700.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$350.00 which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until 1/24/04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Cedar Financial Borrower Terry Treelless
 Phone 999-888-5555 SSN 555-66-8888
 Address 1923 Raleigh St. Property Address 123 Fern Lane
Somewhere, CO 81073 Anywhere, USA 70476

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 01/23/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ <u>100,000.00</u>	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	<u>7.5</u> %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	<u>30</u> years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ <u>699.21</u>	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	<u>60</u> days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Our Service Charge (see item 1 on page 2)	\$ <u>2,000.00</u>
Estimated Charges for All Other Settlement Services (see items 2-9 on page 2)	\$ <u>3,700.00</u>
Total Estimated Settlement Charges	\$ <u>5,700.00</u>

**Understanding
Your
Estimated
Settlement
Charges**

Your Estimated Settlement Charges

1. Our service charge This charge is for the services we provide when we process this loan for you.		\$ 2,000.00
2. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$ 300.00	
Credit Report	\$ 25.00	
Tax Service	\$ 75.00	\$ 400.00
3. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$ 900.00
4. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$ 200.00	
		\$ 200.00
5. Taxes and fees This charge includes state and local taxes and fees.		\$ 600.00
6. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$ 697.25
7. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 20.55 per day for 5 days (if your closing date is 3/27/04)		\$ 102.75
8. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$ 500.00
9. Optional owner's title insurance This charge is for insurance you can choose to buy to protect yourself from title defects.		\$ 300.00
Total Estimated Settlement Charges		\$ 5,700.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$100,000.00	\$100,000.00	\$100,000.00
Your interest rate	7.5 %	7.25 %	7.75%
How much your monthly payment will be	\$699.21	\$682.18	\$716.41
How much more or less in monthly payments from this GFE	No Change	You will pay \$17.03 less every month	You will pay \$17.20 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$1,000.00	Your higher interest rate will lower your settlement costs by \$1,000.00
How much your total estimated settlement charges will be	\$5,700.00	\$6,700.00	\$4,700.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$350.00 which will be applied towards your settlement costs.

The interest rate and points on this GFE are available until 1.24.04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.

Round 4 Test Administration Protocol and Participant Answer Sheet

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Moderator's Script for Testing Sessions

Before the participants arrive, arrange chairs around the table. Allow space for seven participants. At each place put a numbered packet and a sharpened pencil. Have extra pencils and the consent forms ready.

Introduction (10 minutes)

Introduce yourself.

(If asked about the sponsor of the study during the introduction, say that you cannot tell them now, but you will tell them at the end of the session.)

I'm [your first name]. I work for Aspen Systems, a research company in Rockville, Maryland. Today, we're going to spend about 30 minutes together. I'm going to show you several new forms that have been developed to help homebuyers better understand costs as they prepare to buy or refinance a house. We want to get your reactions to these forms now, to see if the forms are helpful to typical homebuyers.

We do not share your name or other information about you. We collect and report our results without identifying people by name.

I am going to ask you to look at two sets of these new forms and, after each set, ask you a few questions about the forms. Remember, we are not testing you; we are testing the forms and how well they work.

Each of you has a packet in front of you that has a number on it. We are going to be working with the material in this envelope during our session today. Although I will be giving the same instructions to all of you, your packets are all different. Each of you has a different set of forms and will be looking at them in a different order.

As we work through these materials, please feel free to ask me to repeat instructions. However, I will not be able to answer any questions about the forms or the questions because we are testing whether the forms can be understood without relying on explanations from others. It is also very important that once we begin that you do not talk to each other or ask each other questions. Again, it is because we're trying to find out how well the forms work by themselves. Do you have any questions now?

(Pause for questions about logistics. If asked about the sponsor, say that you cannot tell them now, but you will tell them at the end of the session.)

Confidentiality Agreement

What you say will be confidential. We won't connect your name with anything you say, and we don't identify you in any way, so your answers are also confidential.

I am going to give you an agreement which explains how we keep the information you provide confidential and how you can stop participating at any time, or not answer questions that we might ask. Of course, we would like you to participate to the fullest extent that you can.

Pass out confidentiality agreements to each person.

If you agree to the terms, please print your name, and then sign and date it, and I will take it back for our records. Thank you.

Collect the signed forms and put them in a separate envelope. Pass out copies of the form for them to keep.

Here is a copy of the confidentiality agreement for your records.

That form is the only one that will have your name on it. We will keep it in a separate place from the rest of the materials we will be working with today.

Questionnaire

Please open your packets now and take out the contents, keeping the materials in order as you open the envelope. We are going to be working through these materials today. You will notice that they are all numbered. Please do not look ahead at the materials until we get to them. Place the materials in front of you in this order: a questionnaire, a red packet, an answer sheet, and a green packet. As we finish each of these, I will ask you to put them back in the envelope.

Now, the first piece of paper we would like you to complete is the brief questionnaire. Again, your answers are completely confidential. We do not have you fill out your name on the questionnaire, so your answers cannot be identified as yours. Please feel free to give honest and complete answers to the questions. If you have a question or trouble with any of the questions, please let me know, and I will help you.

When you are finished with the questionnaire, please put it back in the envelope.

Wait for everyone to complete the questionnaire and put it back in the envelope. Answer only questions about the logistics.

Thank you. Now, we can begin the most important part of today's work.

Task 1: Undirected study of the first set of forms (red set) by the participants (about 10-15 minutes)

Okay. We are ready to look at the first set of forms. The first set has a red sheet of paper on top. In a moment, I would like you to begin looking at this set of forms. As you are looking at this set

of forms. I would like you to imagine that you have been looking for a new home and you have located one that you would like to buy for \$120,000. You are going to put \$20,000 down on the house. Now you are in the process of trying to arrange for a mortgage loan for \$100,000. In this red set of forms, two different financial institutions have given you an estimate of your costs if you use them.

Please look over the forms just as you would if you had actually received these offers. Feel free to write on the forms if you would like. Remember each of you will have different forms. I am going to give you about **10 minutes** to look over both of these offers. When you are finished, I am going to ask you a few questions about them, and you will be able to look back at the forms to answer my questions. If you finish with the forms before the 10 minutes are up, you may look back through them until the 10 minutes are up.

I want to remind you that you should not talk aloud to each other or to yourself because we want to know how well the forms work by themselves. Just work at your own pace. Go ahead and look at the forms in the red set. Please do not go on to the green package yet.

Allow about 10 minutes for everyone to look at the form. Move on when most people seem comfortably finished. Do not give any visual or verbal reactions to those who finish quickly or to those who are slower.

Okay, everyone has looked at the forms. Now I want you to compare the two offers that you have and answer a few questions. Please take out your answer sheet. It looks like this. (*Hold up answer sheet.*) Remember these are two potential loan offers with estimates of the costs you will have to pay when you buy the house. Again don't talk out loud to each other or yourself about your answers. As I read the questions to you, simply mark your answers. Because you each have different forms, your answers will also be different.

Read each question aloud. State the question number to help people mark their answers in the right place.

1. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount? On your answer sheet, please write the name of the offer or mark your answer.
2. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you? On your answer sheet, please write the name of the offer or mark your answer.
3. Please tell us briefly why you chose the answer that you did to question 2.

Thank you. Now please put the red set of forms back into the envelope. We are finished with them. Please keep your answer sheet, but put it at the bottom of your stack.

Task 2: Undirected study of the second set of forms (green set) by the participants (10 minutes)

Thank you for looking over that set of forms. Now let's look at the second set of forms. This set has a green sheet of paper on top. As you are looking at this set of forms, remember the situation is the same: you have been looking for a new home and you have located one that you would like to buy for \$120,000. You are going to put \$20,000 down on the house. Now you are in the process of trying to arrange for a mortgage loan for \$100,000. In the green set, two different financial institutions have given you an estimate of your costs if you use them.

Please look over the forms just as you would if you had actually received these offers. Feel free to write on the forms if you would like. Remember each of you will have different forms. I am going to give you about 5 minutes to look over both of these offers. When you are finished, I am going to ask you a few questions about them, and you will be able to look at the forms to answer my questions.

I want to remind you that you should not talk aloud to each other or to yourself because we want to know how well the forms work by themselves. Just work at your own pace. Okay. Go ahead and look at the forms.

Allow about 5 minutes for everyone to look at the forms. Move on when people seem comfortably finished. Do not give any visual or verbal reactions to those who finish quickly or to those who are slower.

This time should be a bit shorter than with the red set. Do not allow participants to look at the red set again to compare answers.

Okay, everyone has looked at the forms. Now I want you to compare the two offers that you have and answer a few questions. Please take out your answer sheet. It looks like this. (*Hold up answer sheet.*) Remember these are two potential loan offers with estimates of the costs you will have to pay when you buy the house. Again don't talk out loud to each other or yourself about your answers. As I read the questions to you, simply mark your answers. Because you each have different forms, your answers will also be different.

Read each question aloud. State the question number to help people mark their answers in the right place.

4. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount? On your answer sheet, please write the name of the offer or mark your answer.

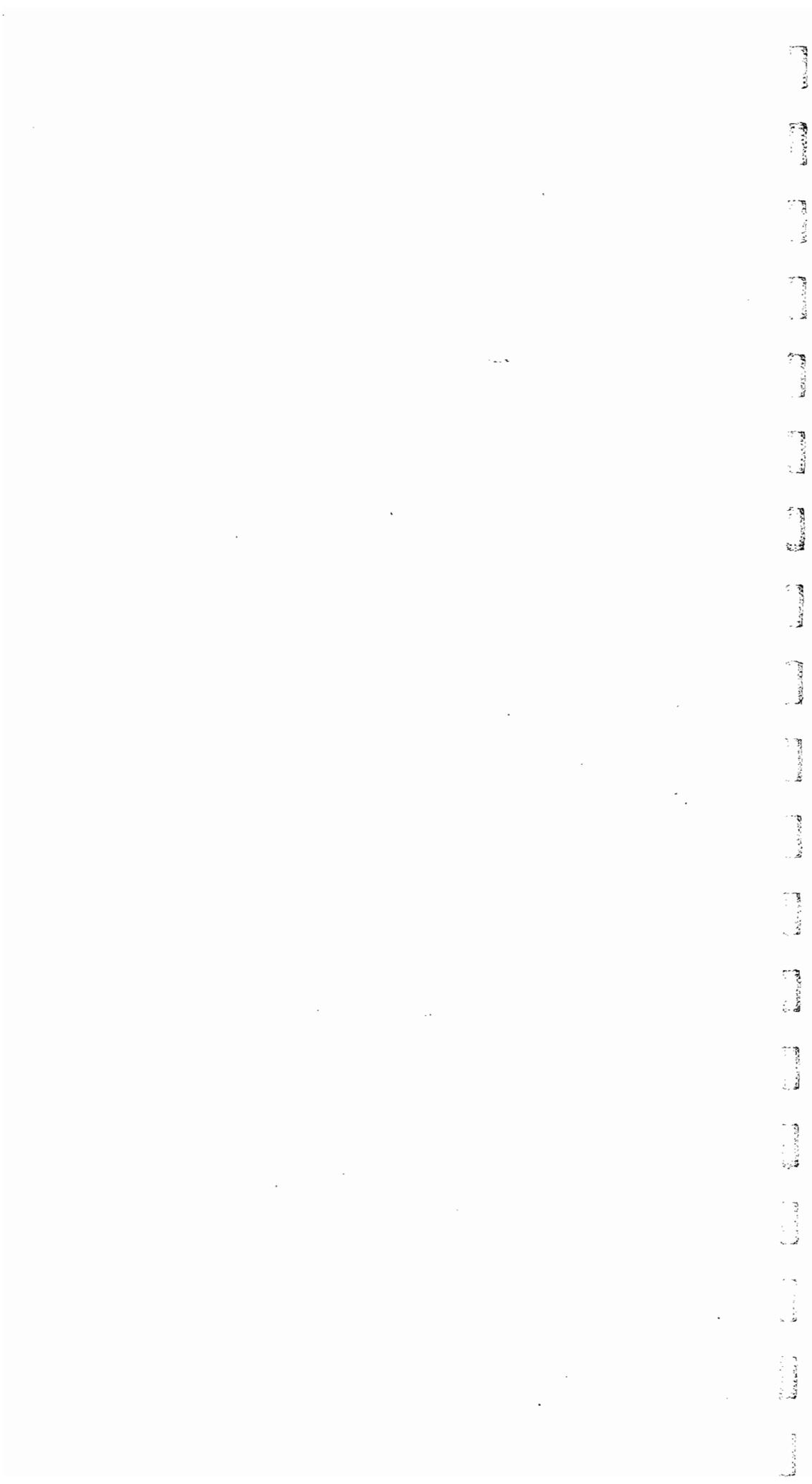
5. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you? On your answer sheet, please write the name of the offer or mark your answer.

6. Please tell us briefly why you chose the answer that you did for question 5.

Thank you. Please put the green set of forms back into your envelope. *(Collect packets.)*

That is all we have for you today. Thank you for answering all of those questions. They will be very helpful to us in deciding how well the forms work. If you return to the front desk, you will receive your payment. *(Check at site for how payments will be made and give those instructions.)*

If participants ask, you may now tell them that this study is being sponsored by U.S. Department of Housing and Urban Development or HUD to see if the new Good Faith Estimate forms are helpful to home buyers.



Answer Sheet

Directions: Please answer the questions below only when the moderator asks the question.

Red set

1. Which of these two offers will cost you less or will they cost the same amount?
 - Offer name: _____ (put name of the offer that will cost you less)
 - Both offers cost the same amount

2. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you?
 - Offer name: _____ (put name of the offer you prefer here)
 - Both offers are equally attractive
 - I don't know

3. Please tell us briefly why you chose the answer that you did to question 2.

Green set

4. Which of these two offers will cost you less or do they cost the same amount?
 - Offer name: _____ (put name of the offer that will cost you less)
 - Both offers cost the same amount

5. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you?
 - Offer name: _____ (put name of the offer you prefer here)
 - Both offers are equally attractive
 - I don't know

6. Please tell us briefly why you chose the answer that you did to question 5.

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Appendix B: Round 5 Testing Materials

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Round 5 Screening Protocol

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Screening Protocol for Potential Borrowers (Attachment A-Part 1)

Eligibility Requirements

We are testing a total of 600 new and experienced potential borrowers in five sites. We intend to recruit a mix of participants from these groups, with 10% who are current shoppers, which is defined as those who are currently shopping for a mortgage, but have not otherwise obtained a mortgage in the previous three years. The remaining participants (experienced buyers) will have purchased a home at least once previously. For the experienced homebuyers, we will recruit those who have purchased or refinanced in the past three years. All participants must be able to read and write English. In addition to home-buying interest and experience, we also have some demographic considerations. We intend to test 600 participants across all sites that fall into the following categories:

- The elderly — defined as 55 years or older
- African Americans
- Hispanic Americans — defined by self-identification
- Low education — defined as not having graduated from high school

NOTE: Please ensure that participants have not taken part in our prior study

Recruitment by Site

In each location, we will recruit 150 participants, in order to have 120 show up for the testing. They must meet the requirements shown in the following table.

Individual Potential Homebuyers	
Number needed	Criteria
All 150	Can read and write English
At least 20, but not more than 23 of the 150	Consider themselves African American or Hispanic American
At least 24, but not more than 26 of the 150	Are age 55 or older
At least 83, but not more than 85 of the 150	Are age 35 to 54
At least 43, but not more than 47 of the 150	Are age 18 to 34
At least 47, but not more than 50 of the 150	Have high school education or below
At least 130, but not more than 140 of the 150	Have obtained a mortgage within the previous three years
At least 10, but not more than 20 of the 150	Are "Current Shoppers" – currently shopping for a mortgage but have not otherwise obtained a mortgage in the previous three years

Script for participant recruitment phone call (Attachment A-Part 2)

1. Hello, my name is (FIRST AND LAST NAME) may I speak to (NAME FROM CALL RECORD LABEL)?

IF SOMEONE OTHER THAN R ASKS WHY YOU ARE CALLING, SAY: I'm calling regarding an important study of loan and settlement costs for buying a home, including houses, townhouses, and condominiums. We are paying participants to help us with this study.

(Check One Answer)

_____ NO ONE BY THAT NAME AT THIS NUMBER

_____ SPEAKING TO R;R COMES TO THE PHONE --> SKIP TO Q3

2. CONFIRM YOU HAVE DIALED CORRECTLY. ASK IF RESPONDENT WAS EVER AT THIS NUMBER (DO THEY HAVE HIS/HER NEW NUMBER)?

IF NO NEW NUMBER IS GIVEN, FINALIZE AS NOT LOCATED.

3. Hello, my name is _____ and I'm calling from (MARKETING COMPANY'S NAME) for Aspen Systems. Aspen Systems is conducting a study of homebuyer perceptions of loan and settlement costs. We will pay you \$_____ to participate in this study and your responses will be kept completely confidential.

This project is intended to find out what people think of new forms that were developed to assist consumers with home purchases.

We have chosen you to participate in an interview being held during the week of (insert week). In this interview, we will ask you to read some new forms that were developed to see your reaction to them. We will pay you the \$_____ at the end of the interview for your participation. Do you have a few minutes to answer some pre-qualifying questions (IF NO, WHAT WOULD BE A CONVENIENT TIME TO CALL BACK?)

PROBE: (We are not selling anything, we are looking to recruit people to help out with a nationwide study. Everything you say is confidential, and your identity will not be disclosed.)

IF NEEDED: The exact location of the interview is _____.

(Check One Answer)

- YES -->CONTINUE WITH Q4.
 NO --> CALL BACK TIME _____
 REFUSE --> END OF INTERVIEW, THANK R.

4. In the last three years have you obtained a mortgage? Either by purchasing or refinancing a home including a house, townhouse, or condominium?
- Yes Skip to question 6
 - No Go to question 5
5. Are you currently shopping for a mortgage but have not obtained a mortgage in the last three years?
- Yes Go to question 6
 - No [*Terminate*] I am sorry, but you do not fit the background we need for participation in this particular study. Thank you for talking with us.
6. Do you primarily read and speak English at home?
- Yes Go to question 8
 - No [*Terminate*] I am sorry, but you do not fit the background we need for participation in this particular study. Thank you for talking with us.
7. Which of the following age groups are you in?
- 18 to 34
 - 35 to 54
 - 55 and older
8. What is your gender? (INFER IF CLEAR, OTHERWISE ASK)
- Male
 - Female
9. Are you currently married?
- Yes
 - No
10. What is the highest level of education you have completed?
- High School, GED, or less than High school
 - Some college
 - College graduate
 - Graduate school
11. Are you of Hispanic or Latino origin?
- Yes
 - No

12. What is your race? You may select one or more than one category.

- American Indian or Alaskan Native
- Asian
- Black or African-American
- Native Hawaiian or other Pacific Islander
- White

13. I will now give you the interview times that we have available. (CALENDAR TO BE UPDATED BEFORE EACH CALL) [Revise this calendar as necessary.]

Day and date	9:00 a.m.	11 a.m.	2:00 p.m.	5 p.m.	7 p.m.
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					

- _____ NO, CAN'T MAKE THOSE TIMES --> THANK FOR TIME, END OF INTERVIEW
- _____ REFUSE --> THANK R FOR TIME, END OF INTERVIEW

14. I will send you a letter confirming the time and date of the interview, and giving you the exact location of the group. The letter will include a number for you to call if you have any questions. In order to send you the letter, I need to have your current address.

IF MARKETING GROUP DOES NOT HAVE ADDRESS LISTED, ASK R TO GIVE A CURRENT ADDRESS AND LIST BELOW.

IF MARKETING GROUP HAS ADDRESS LISTED, ASK IF IT IS STILL CORRECT:

(Check One Answer)

_____ YES, ADDRESS IS CORRECT ---> CONTINUE WITH Q14

_____ NO, ADDRESS IS NOT CORRECT --> MAKE CORRECTIONS BELOW, THEN ASK Q.

ADDRESS: _____

CITY/STATE/ZIP: _____

15. And to make sure I send it to the right person, can I check the spelling of your name? (VERIFY NAME IS CORRECT AS LISTED ON CALL RECORD, MAKE ANY CHANGES BELOW)

(Check One Answer)

YES, NAME IS CORRECT --- > CONTINUE WITH Q15

NO, NAME IS NOT CORRECT-- > MAKE CORRECTIONS BELOW, THEN ASK Q15

R'S CORRECT NAME: _____

16. We will need to call you the day before the interview to remind you about the appointment. Is it ok to call you at this number?

(Check One Answer)

YES, OK TO CALL THIS NUMBER. --- > CONTINUE WITH Q16.

NO, CALL DIFFERENT NUMBER -- > RECORD NUMBER BELOW

NUMBER TO CALL TO REMIND R: _____ THEN Q16.

Thank you for your help. I'm glad you can come to the interview. Please watch for a reminder letter from Aspen Systems [or from the recruiter].

Acknowledgment Letter to Participants (Attachment A-Part 3)

Dear [participant]:

Thank you for agreeing to participate in the research being conducted by Aspen Systems. Below is the date, time, and location that we have reserved for you. We are also attaching directions for you. Please remember to bring your glasses or contacts if you use them to read.

[Date, time, and location here]

If you cannot keep this appointment, please call us at [local number here].

We look forward to meeting you and having your valuable insights for this important research.

Sincerely,

OR

Recruiting Agency, Inc.

Dear Guest:

Recently, one of our staff members invited you to attend a market research study. You have been specially selected to participate in that study with a limited number of other persons. This letter will confirm your attendance, and we look forward to seeing you in our office.

When you come, you will have the opportunity to express your opinions about certain topics that we discussed with you earlier. We are not selling anything and you will not be involved in any form of sales or sales follow-up as a result of participating in our study. We are very interested in hearing what you have to say.

Your attendance at our research study is confirmed for the time and date shown below. We ask that you please be prompt for your scheduled appointment. Should you find that you cannot meet your scheduled time, we ask you to call () - so that we may reschedule you.

Please remember to bring your glasses or contacts if you use them to read.

Since our research study has a limited number of reservations, we have confirmed only the person to whom this letter is addressed. As a gift of our appreciation, each person who completes our study will be given \$_____ cash.

The location where the research study will be held is our _____ office. It is located at _____.

Thank you in advance for helping us and we look forward to seeing you.

Cordially,

Director/Manager

DATE: _____

DAY: _____

TIME: _____ a.m. / p.m.

LENGTH OF SESSION: _____

MONETARY GIFT: _____

Participant Reminder Telephone Script (Attachment A-Part 4)

1. Hello, my name is (FIRST AND LAST NAME). May I speak to (NAME FROM CONFIRMED PARTICIPANT LIST)?

SPEAKING TO R;R COMES TO THE PHONE --> SKIP TO Q3

IF SOMEONE OTHER THAN R ASKS WHY YOU ARE CALLING, SAY: I'm calling regarding an important study of mortgage costs that NAME FROM CONFIRMED PARTICIPANT LIST is participating in. Is CONFIRMED PARTICIPANT in?

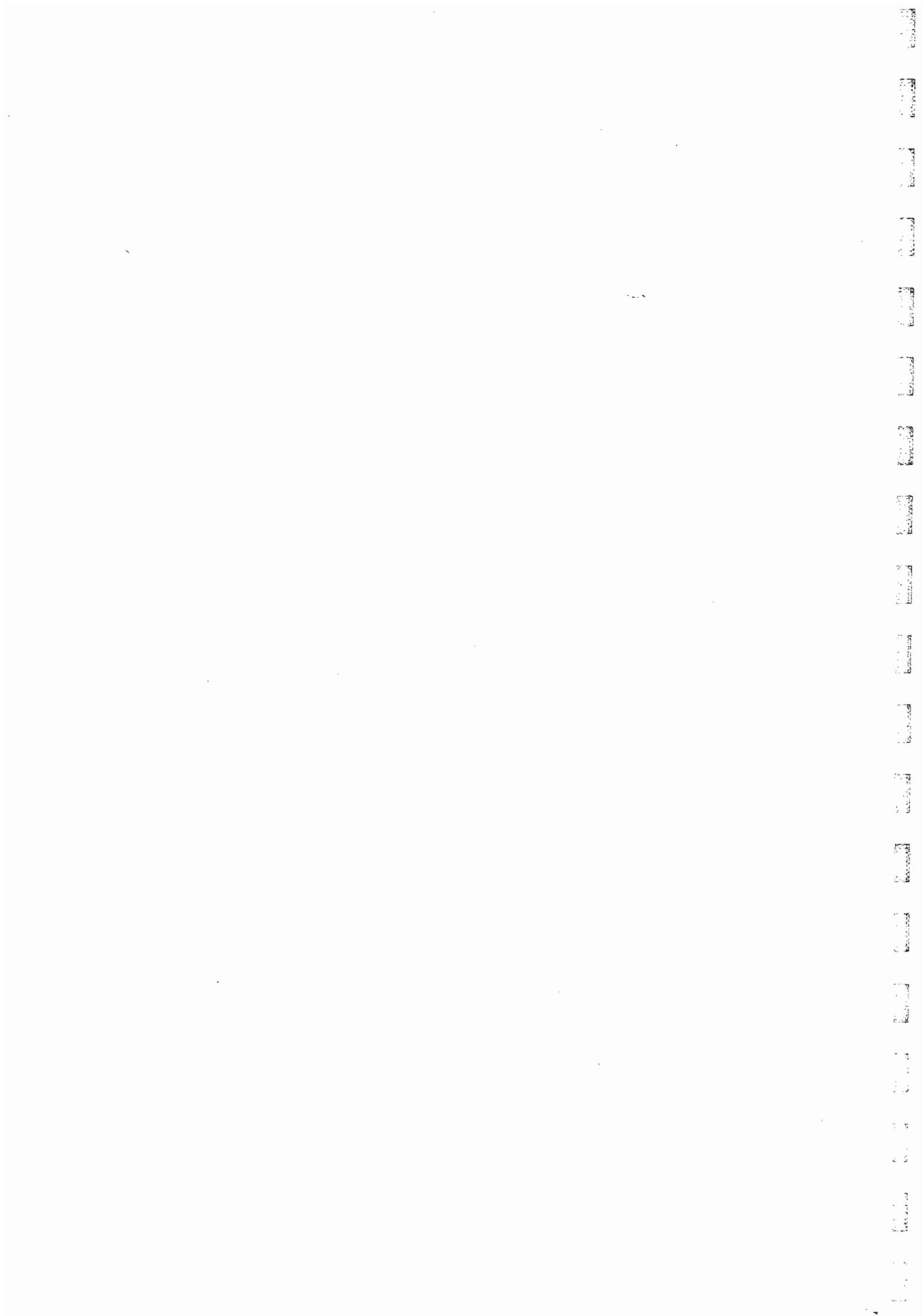
2. IF NO, ASK, May I leave a message for him or her? GO TO Q3

3. My name is (FIRST AND LAST NAME) and I'm calling from (MARKETING COMPANY'S NAME) for Aspen Systems Group to confirm NAME OF CONFIRMED PARTICIPANT'S or YOU'RE participation on DATE AND TIME for the settlement costs study. Will you still be able to make it? Please remember to bring your glasses or contacts if you use them to read.

IF LEAVING A MESSAGE SAY, will you please give NAME OF CONFIRMED PARTICIPANT this message and have NAME OF CONFIRMED PARTICIPANT call me at TELEPHONE NUMBER if HE or SHE will not be able to make it.

THANK PARTICIPANT OR PERSON TAKING MESSAGE.

**Round 5 Participant Confidentiality
Statement and Consent Form and
Demographic Questionnaire**



CONFIDENTIALITY STATEMENT AND CONSENT FORM FOR THE HUD GFE REDESIGN PROJECT

This project will collect information on the ability of first-time and experienced homebuyers to understand newly designed Good Faith Estimate forms used at settlement. We want to assure you that we maintain the confidentiality of your identity and participation in this project.

This form is to inform you of your rights as you talk with us today.

We want you to understand the following:

- Your participation is completely voluntary. You do not have to answer any questions you do not want to.
- You may stop participating at any time.
- Your answers and comments will be kept confidential. Your name will not be used in any report for this project.
- The interview will take no more than 1 hour to complete. You will receive \$50 at the completion of the interview.
- Even if you sign this form, you can stop participating at any time.

If you agree to help us, please print your name, then sign and date this form below.

We thank you for your participation in this important project to improve the ability of borrowers to understand mortgage lending and real estate transactions.

Your Name: _____

Your Signature: _____

Today's Date: _____

If you have any comments about this testing session, please write to:

Bill Reid
U.S. Department of Housing and Urban Development
451 7th Street SW
Washington, DC 20410



PARTICIPANT'S QUESTIONNAIRE

Thank you for agreeing to meet with us today. Before we begin our work, we ask that you take no more than two minutes to fill out a brief questionnaire. We will use this information to help us report our findings to our client. We will not use your name in our reports.

Please check the appropriate boxes.

1. What is your gender?

- Male
- Female

2. What is your age?

- 21 or younger
- 22 to 34
- 35 to 44
- 45 to 54
- 55 to 64
- 65 or older

3. Are you of Hispanic or Latino origin?

- Yes
- No

4. What is your race? You may select one or more than one category.

- American Indian or Alaskan Native
- Asian
- Black or African-American
- Native Hawaiian or other Pacific Islander
- White
- Other

5. What is the highest level of education you have completed?

- Less than high school
- High school or GED
- Some college or a 2-year college program
- College graduate
- Graduate school

PLEASE TURN PAGE OVER →

6. What was your gross household income (before taxes) last year?
- Less than \$20,000
 - \$20,000 to \$39,999
 - \$40,000 to \$59,999
 - \$60,000 to \$79,999
 - \$80,000 to \$99,999
 - \$100,000 or more
7. Are you married?
- Yes
 - No
8. Have you purchased or refinanced a home, including houses, townhouses, and condominiums, in the last three years?
- Yes
 - No
9. Are you planning to purchase a home, including houses, townhouses, and condominiums?
- Yes
 - No
10. Which of the following have you done? (check all that apply)
- Gone to look at homes for sale at open houses
 - Contacted a real estate agent
 - Pre-qualified for a mortgage loan

THANK YOU. YOU HAVE FINISHED THE QUESTIONNAIRE.

**Round 5 Good Faith Estimate (GFE)
Forms, With 3-option Yield Spread
Premium (YSP)**

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Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Fig
 Phone (800) 663-4133
 Address 20 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	30 years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

<p>1. Our service charge These charges are for the services we provide when we get and process this loan for you.</p>	\$2,800.00
<p>2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. <i>(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)</i></p>	\$0.00
A	Your Adjusted Origination Charges \$2,800.00

Your Charges for All Other Settlement Services

<p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td style="text-align: right;">\$300.00</td> </tr> <tr> <td>Credit Report</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td>Tax Service</td> <td style="text-align: right;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
<p>4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.</p>	\$900.00								
<p>5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Survey</td> <td style="text-align: right;">\$200.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
Service	Cost								
Survey	\$200.00								
<p>6. Taxes and fees This charge includes state and local taxes and fees.</p>	\$600.00								
<p>7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.</p>	\$719.35								
<p>8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3 / 27/04</u>).</p>	\$80.65								
<p>9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.</p>	\$500.00								
<p>10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.</p>	\$300.00								
B	Your Charges for All Other Settlement Services \$3,700.00								
A + B = Total Estimated Settlement Charges \$6,500.00									

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Birch
 Phone (800) 663-4134
 Address 10 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2/20/04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input checked="" type="checkbox"/> You receive a credit of \$1,700.00 for this interest rate of 6 %. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of _____ %. This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)	-\$1,700.00
A Your Adjusted Origination Charges	\$2,800.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	\$75.00	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$200.00	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is 3 / 27 / 04).		\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B Your Charges for All Other Settlement Services		\$3,700.00

A + B = Total Estimated Settlement Charges	\$ 6,500.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Pear
 Phone (800) 663-4131
 Address 40 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,900.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,600.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$2,900.00
2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)	\$0.00
A Your Adjusted Origination Charges	\$2,900.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.	
Service	Cost
Appraisal	\$300.00
Credit Report	\$25.00
Tax Service	\$75.00
	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.	\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.	
Service	Cost
Survey	\$200.00
	\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.	\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3 / 27 / 04</u>).	\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.	\$300.00
B Your Charges for All Other Settlement Services	\$3,700.00

A + B = Total Estimated Settlement Charges \$6,600.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,600.00	\$ 7,600.00	\$ 5,600.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Cedar
 Phone (800) 663-4132
 Address 30 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,400.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,100.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input checked="" type="checkbox"/> You receive a credit of \$2,100.00 for this interest rate of 6 % . This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of _____ %. This payment (discount points) increases your upfront charges. <i>(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)</i>	-\$2,100.00
A	Your Adjusted Origination Charges \$2,400.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
<i>Service</i>	<i>Cost</i>	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	\$75.00	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
<i>Service</i>	<i>Cost</i>	
Survey	\$200.00	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3 / 27/04</u>).		\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B	Your Charges for All Other Settlement Services	\$3,700.00

A + B = Total Estimated Settlement Charges	\$ 6,100.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,100.00	\$ 7,100.00	\$ 5,100.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Orange
 Phone (800) 663-4129
 Address 60 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points. Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,700.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,400.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

<p>1. Our service charge These charges are for the services we provide when we get and process this loan for you.</p>	\$2,700.00
<p>2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. <i>(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)</i></p>	\$0.00
A	Your Adjusted Origination Charges \$2,700.00

Your Charges for All Other Settlement Services

<p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td style="text-align: right;">\$300.00</td> </tr> <tr> <td>Credit Report</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td>Tax Service</td> <td style="text-align: right;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
<p>4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.</p>	\$900.00								
<p>5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Survey</td> <td style="text-align: right;">\$200.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
Service	Cost								
Survey	\$200.00								
<p>6. Taxes and fees This charge includes state and local taxes and fees.</p>	\$600.00								
<p>7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.</p>	\$719.35								
<p>8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3</u> / <u>27</u> / <u>04</u>).</p>	\$80.65								
<p>9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.</p>	\$500.00								
<p>10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.</p>	\$300.00								
B	Your Charges for All Other Settlement Services \$3,700.00								

A + B = Total Estimated Settlement Charges	\$ 6,400.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,400.00	\$ 7,400.00	\$ 5,400.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Maple
 Phone (800) 663-4130
 Address 50 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$3,200.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,900.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input checked="" type="checkbox"/> You receive a credit of \$1,300.00 for this interest rate of 6 % . This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of _____ %. This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)	-\$1,300.00
A	Your Adjusted Origination Charges \$ 3,200.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; font-size: small;">Service</th> <th style="text-align: right; font-size: small;">Cost</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px 5px;">Appraisal</td> <td style="text-align: right; padding: 2px 5px;">\$300.00</td> </tr> <tr> <td style="padding: 2px 5px;">Credit Report</td> <td style="text-align: right; padding: 2px 5px;">\$25.00</td> </tr> <tr> <td style="padding: 2px 5px;">Tax Service</td> <td style="text-align: right; padding: 2px 5px;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.	\$900.00								
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; font-size: small;">Service</th> <th style="text-align: right; font-size: small;">Cost</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px 5px;">Survey</td> <td style="text-align: right; padding: 2px 5px;">\$200.00</td> </tr> <tr> <td style="padding: 2px 5px;"> </td> <td style="padding: 2px 5px;"> </td> </tr> <tr> <td style="padding: 2px 5px;"> </td> <td style="padding: 2px 5px;"> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
Service	Cost								
Survey	\$200.00								
6. Taxes and fees This charge includes state and local taxes and fees.	\$600.00								
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	\$719.35								
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is <u>3</u> / <u>27</u> / <u>04</u>).	\$80.65								
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$500.00								
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.	\$300.00								
B	Your Charges for All Other Settlement Services \$ 3,700.00								

A + B = Total Estimated Settlement Charges	\$ 6,900.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,900.00	\$ 7,900.00	\$ 5,900.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

➤ Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
 ➤ By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						

**Round 5 Good Faith Estimate (GFE)
Forms, With 2-option Yield Spread
Premium (YSP)**



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Apple Borrower John Smith
 Phone (800) 593-5581 SSN 298-48-3811
 Address 80 Main Street Property Address 300 Fifth Street
Anytown, USA 32372 Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 2/20/04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	30 years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$2,800.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges.	
A	Your Adjusted Origination Charges \$2,800.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
<i>Service</i>	<i>Cost</i>	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	\$75.00	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
<i>Service</i>	<i>Cost</i>	
Survey	\$200.00	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is <u>3/27/04</u>).		\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B	Your Charges for All Other Settlement Services	\$3,700.00

A + B = Total Estimated Settlement Charges	\$6,500.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

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Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Linden
 Phone (800) 593-5580
 Address 70 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> You receive a credit of \$1,700.00 for this interest rate of 6 %. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ for this interest rate of %. This payment (discount points) increases your upfront charges.	-\$1,700.00
A Your Adjusted Origination Charges	\$ 2,800.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$300.00	
Credit Report	\$25.00	\$400.00
Tax Service	\$75.00	
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$200.00	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is <u>3</u> / <u>27</u> / <u>04</u>).		\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B Your Charges for All Other Settlement Services		\$ 3,700.00

A + B = Total Estimated Settlement Charges \$ 6,500.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

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Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Olive Borrower John Smith
 Phone (800) 593-5583 SSN 298-48-3811
 Address 100 Main Street Property Address 300 Fifth Street
Anytown, USA 32372 Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,900.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,600.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$2,900.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges.	
A	Your Adjusted Origination Charges \$2,900.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services. <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Service</th> <th style="text-align: right; border-bottom: 1px solid black;">Cost</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px 5px;">Appraisal</td> <td style="text-align: right; padding: 2px 5px;">\$300.00</td> </tr> <tr> <td style="padding: 2px 5px;">Credit Report</td> <td style="text-align: right; padding: 2px 5px;">\$25.00</td> </tr> <tr> <td style="padding: 2px 5px;">Tax Service</td> <td style="text-align: right; padding: 2px 5px;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.	\$900.00								
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below. <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Service</th> <th style="text-align: right; border-bottom: 1px solid black;">Cost</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px 5px;">Survey</td> <td style="text-align: right; padding: 2px 5px;">\$200.00</td> </tr> <tr> <td style="padding: 2px 5px;"> </td> <td style="padding: 2px 5px;"> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00			\$200.00		
Service	Cost								
Survey	\$200.00								
6. Taxes and fees This charge includes state and local taxes and fees.	\$600.00								
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	\$719.35								
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is <u>3</u> / <u>27</u> / <u>04</u>).	\$80.65								
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$500.00								
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.	\$300.00								
B	Your Charges for All Other Settlement Services \$3,700.00								

A + B = Total Estimated Settlement Charges	\$6,600.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,600.00	\$ 7,600.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

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Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Palm Borrower John Smith
 Phone (800) 593-5582 SSN 298-48-3811
 Address 90 Main Street Property Address 300 Fifth Street
Anytown, USA 32372 Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,400.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,100.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> You receive a credit of \$2,100.00 for this interest rate of 6 %. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ for this interest rate of % . This payment (discount points) increases your upfront charges.	-\$2,100.00
A	Your Adjusted Origination Charges \$2,400.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
<i>Service</i>	<i>Cost</i>	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	\$75.00	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
<i>Service</i>	<i>Cost</i>	
Survey	\$200.00	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is 3/27/04).		\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B	Your Charges for All Other Settlement Services	\$3,700.00

A + B = Total Estimated Settlement Charges	\$6,100.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,100.00	\$ 7,100.00	\$ 5,100.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

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Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Pecan Borrower John Smith
 Phone (800) 593-5585 SSN 298-48-3811
 Address 120 Main Street Property Address 300 Fifth Street
Anytown, USA 32372 Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 2/20/04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	30 years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,700.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,400.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$2,700.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of _____ %. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of _____ %. This payment (discount points) increases your upfront charges.	
A Your Adjusted Origination Charges	\$2,700.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
Service	Cost	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	\$75.00	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
Service	Cost	
Survey	\$200.00	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is <u>3 /27 /04</u>).		\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B Your Charges for All Other Settlement Services		\$3,700.00

A + B = Total Estimated Settlement Charges	\$6,400.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,400.00	\$ 7,400.00	\$ 5,400.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

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Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Ash Borrower John Smith
 Phone (800) 593-5584 SSN 298-48-3811
 Address 110 Main Street Property Address 300 Fifth Street
Anytown, USA 32372 Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	30 years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$3,200.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,900.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

<p>1. Our service charge These charges are for the services we provide when we get and process this loan for you.</p>	\$4,500.00
<p>2. Your credit or charge for the specific interest rate chosen (points)</p> <p><input checked="" type="checkbox"/> You receive a credit of \$1,300.00 for this interest rate of 6 %. This credit reduces your upfront charges.</p> <p><input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of _____ %. This payment (discount points) increases your upfront charges.</p>	-\$1,300.00
A	Your Adjusted Origination Charges \$3,200.00

Your Charges for All Other Settlement Services

<p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Service</th> <th style="text-align: right; border-bottom: 1px solid black;">Cost</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">Appraisal</td> <td style="text-align: right; border-bottom: 1px solid black;">\$300.00</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Credit Report</td> <td style="text-align: right; border-bottom: 1px solid black;">\$25.00</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Tax Service</td> <td style="text-align: right; border-bottom: 1px solid black;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
<p>4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.</p>	\$900.00								
<p>5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Service</th> <th style="text-align: right; border-bottom: 1px solid black;">Cost</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">Survey</td> <td style="text-align: right; border-bottom: 1px solid black;">\$200.00</td> </tr> <tr> <td style="border-bottom: 1px solid black;"> </td> <td style="border-bottom: 1px solid black;"> </td> </tr> <tr> <td style="border-bottom: 1px solid black;"> </td> <td style="border-bottom: 1px solid black;"> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
Service	Cost								
Survey	\$200.00								
<p>6. Taxes and fees This charge includes state and local taxes and fees.</p>	\$600.00								
<p>7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.</p>	\$719.35								
<p>8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is <u>3/27/04</u>).</p>	\$80.65								
<p>9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.</p>	\$500.00								
<p>10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.</p>	\$300.00								
B	Your Charges for All Other Settlement Services \$3,700.00								

A + B = Total Estimated Settlement Charges	\$6,900.00
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Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,900.00	\$ 7,900.00	\$ 5,900.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

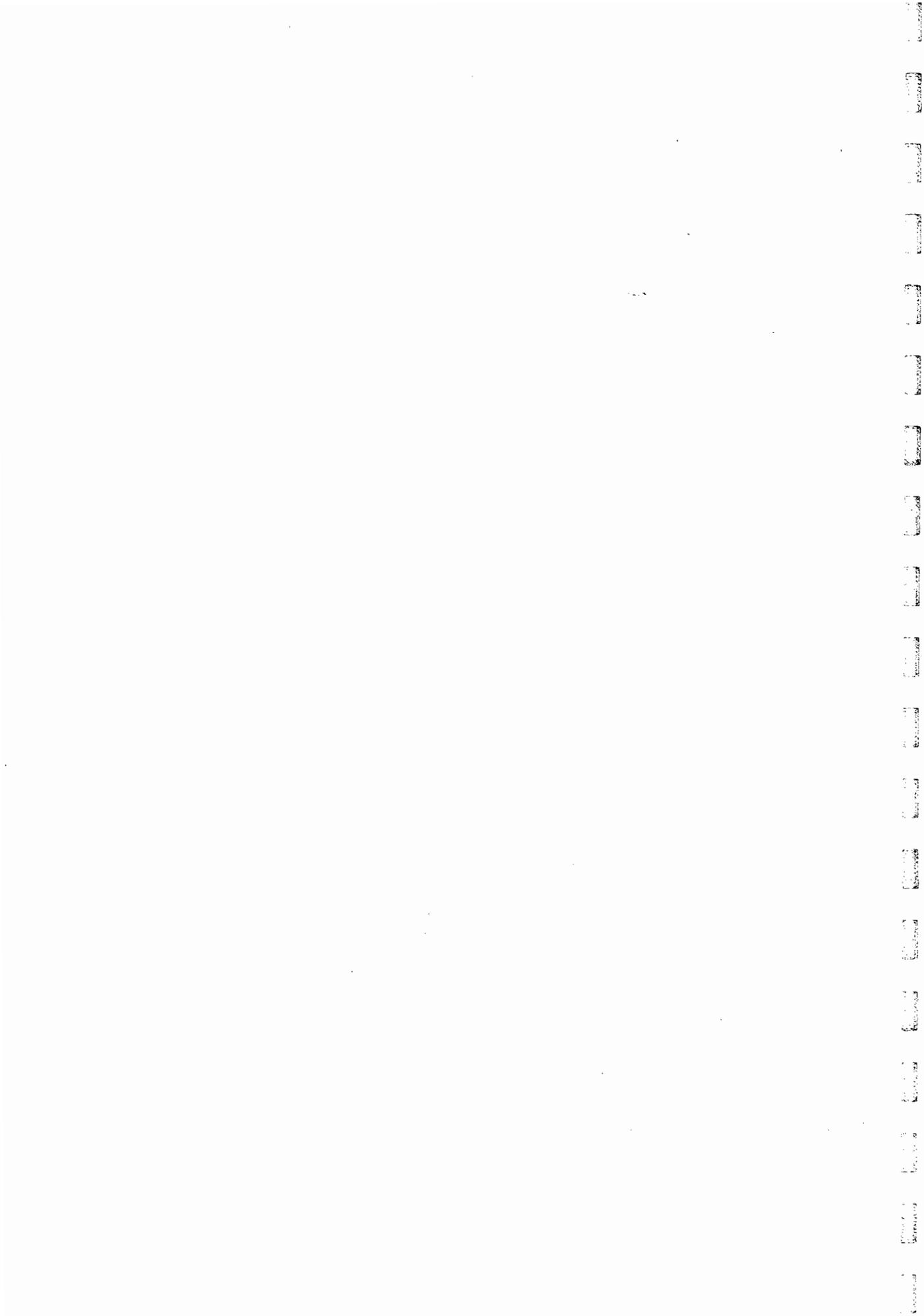
Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ **350.00** which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

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Round 5 Four-Form Comparison, Packet A





Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Fig Borrower John Smith
 Phone (800) 663-4133 SSN 298-48-3811
 Address 20 Main Street Property Address 300 Fifth Street
Anytown, USA 32372 Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$, due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$2,800.00
2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)	\$0.00
A	Your Adjusted Origination Charges \$2,800.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%; text-align: left;">Service</th> <th style="width: 15%; text-align: left;">Cost</th> <th style="width: 25%;"></th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td>\$300.00</td> <td></td> </tr> <tr> <td>Credit Report</td> <td>\$25.00</td> <td></td> </tr> <tr> <td>Tax Service</td> <td>\$75.00</td> <td style="text-align: right;">\$400.00</td> </tr> </tbody> </table>	Service	Cost		Appraisal	\$300.00		Credit Report	\$25.00		Tax Service	\$75.00	\$400.00	\$400.00
Service	Cost												
Appraisal	\$300.00												
Credit Report	\$25.00												
Tax Service	\$75.00	\$400.00											
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.	\$900.00												
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%; text-align: left;">Service</th> <th style="width: 15%; text-align: left;">Cost</th> <th style="width: 25%;"></th> </tr> </thead> <tbody> <tr> <td>Survey</td> <td>\$200.00</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$200.00</td> </tr> </tbody> </table>	Service	Cost		Survey	\$200.00				\$200.00	\$200.00			
Service	Cost												
Survey	\$200.00												
		\$200.00											
6. Taxes and fees This charge includes state and local taxes and fees.	\$600.00												
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	\$719.35												
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3</u> / <u>27</u> / <u>04</u>).	\$80.65												
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$500.00												
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.	\$300.00												
B	Your Charges for All Other Settlement Services \$3,700.00												
A + B = Total Estimated Settlement Charges \$ 6,500.00													

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						





Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Birch
 Phone (800) 663-4134
 Address 10 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2/20/04

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

<p>1. Our service charge These charges are for the services we provide when we get and process this loan for you.</p>	\$4,500.00
<p>2. Your credit or charge for the specific interest rate chosen (points)</p> <p><input type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above)</p> <p><input checked="" type="checkbox"/> You receive a credit of \$1,700.00 for this interest rate of 6 %. This credit reduces your upfront charges.</p> <p><input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of _____ %. This payment (discount points) increases your upfront charges.</p> <p><i>(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)</i></p>	-\$1,700.00
A	Your Adjusted Origination Charges \$2,800.00

Your Charges for All Other Settlement Services

<p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td style="text-align: right;">\$300.00</td> </tr> <tr> <td>Credit Report</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td>Tax Service</td> <td style="text-align: right;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
<p>4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.</p>	\$900.00								
<p>5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Survey</td> <td style="text-align: right;">\$200.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
Service	Cost								
Survey	\$200.00								
<p>6. Taxes and fees This charge includes state and local taxes and fees.</p>	\$600.00								
<p>7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.</p>	\$719.35								
<p>8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3 / 27/04</u>).</p>	\$80.65								
<p>9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.</p>	\$500.00								
<p>10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.</p>	\$300.00								
B	Your Charges for All Other Settlement Services \$3,700.00								

A + B = Total Estimated Settlement Charges \$6,500.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Orange
 Phone (800) 663-4129
 Address 60 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

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This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,700.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,400.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$2,700.00
2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)	\$0.00
A Your Adjusted Origination Charges	\$2,700.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.		
<i>Service</i>	<i>Cost</i>	
Appraisal	\$300.00	
Credit Report	\$25.00	
Tax Service	\$75.00	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.		\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.		
<i>Service</i>	<i>Cost</i>	
Survey	\$200.00	
		\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.		\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.		\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3 / 27/04</u>).		\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.		\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.		\$300.00
B Your Charges for All Other Settlement Services		\$ 3,700.00
A + B = Total Estimated Settlement Charges		\$ 6,400.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,400.00	\$ 7,400.00	\$ 5,400.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least 5 days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers; you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Cedar
Phone (800) 663-4132
Address 30 Main Street
Anytown, USA 32372

Borrower John Smith
SSN 298-48-3811
Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points. Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,400.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,100.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

<p>1. Our service charge These charges are for the services we provide when we get and process this loan for you.</p>	\$4,500.00
<p>2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input checked="" type="checkbox"/> You receive a credit of \$2,100.00 for this interest rate of 6 %. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of _____ %. This payment (discount points) increases your upfront charges. <i>(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)</i></p>	-\$2,100.00
A	Your Adjusted Origination Charges \$2,400.00

Your Charges for All Other Settlement Services

<p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td style="text-align: right;">\$300.00</td> </tr> <tr> <td>Credit Report</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td>Tax Service</td> <td style="text-align: right;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
<p>4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.</p>	\$900.00								
<p>5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Survey</td> <td style="text-align: right;">\$200.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
Service	Cost								
Survey	\$200.00								
<p>6. Taxes and fees This charge includes state and local taxes and fees.</p>	\$600.00								
<p>7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.</p>	\$719.35								
<p>8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3 / 27/04</u>).</p>	\$80.65								
<p>9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.</p>	\$500.00								
<p>10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.</p>	\$300.00								
B	Your Charges for All Other Settlement Services \$3,700.00								
A + B = Total Estimated Settlement Charges \$6,100.00									

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,100.00	\$ 7,100.00	\$ 5,100.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						

Round 5 Four-Form Comparison, Packet B



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Birch
 Phone (800) 663-4134
 Address 10 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input checked="" type="checkbox"/> You receive a credit of \$1,700.00 for this interest rate of 6 %. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____ %. This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)	-\$1,700.00
A Your Adjusted Origination Charges	\$2,800.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services. <table border="1"> <thead> <tr> <th>Service</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td>\$300.00</td> </tr> <tr> <td>Credit Report</td> <td>\$25.00</td> </tr> <tr> <td>Tax Service</td> <td>\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.	\$900.00								
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below. <table border="1"> <thead> <tr> <th>Service</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>Survey</td> <td>\$200.00</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
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Survey	\$200.00								
6. Taxes and fees This charge includes state and local taxes and fees.	\$600.00								
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	\$719.35								
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3</u> / <u>27</u> / <u>04</u>).	\$80.65								
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$500.00								
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.	\$300.00								
B Your Charges for All Other Settlement Services	\$3,700.00								
A + B = Total Estimated Settlement Charges	\$6,500.00								

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Fig Borrower John Smith
 Phone (800) 663-4133 SSN 298-48-3811
 Address 20 Main Street Property Address 300 Fifth Street
Anytown, USA 32372 Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,800.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,500.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

<p>1. Our service charge These charges are for the services we provide when we get and process this loan for you.</p>	\$2,800.00
<p>2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. <i>(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)</i></p>	\$0.00
A	Your Adjusted Origination Charges \$2,800.00

Your Charges for All Other Settlement Services

<p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td style="text-align: right;">\$300.00</td> </tr> <tr> <td>Credit Report</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td>Tax Service</td> <td style="text-align: right;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
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A + B = Total Estimated Settlement Charges \$6,500.00									

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4. Title services and lender's title insurance (if we select them or you use providers referred by us)
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These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
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7. Reserves or escrow
8. Daily interest rate charges
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10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	The loan in this GFE	A loan with a lower interest rate	A loan with lower settlement costs
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,500.00	\$ 7,500.00	\$ 5,500.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

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- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

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Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

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	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Maple
 Phone (800) 663-4130
 Address 50 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:	\$ 100,000.00	
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the _____ index and can change up to _____ percentage points Your first adjustment will occur in _____ (months or years)
Your loan term	30 years	_____ years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ _____ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$ _____
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ _____ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ _____ due in _____ years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$3,200.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,900.00

Understanding
Your Estimated
Settlement
Charges

Your Charges for Loan Origination

1. Our service charge These charges are for the services we provide when we get and process this loan for you.	\$4,500.00
2. Your credit or charge for the specific interest rate chosen (points) <input type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input checked="" type="checkbox"/> You receive a credit of \$1,300.00 for this interest rate of 6 %. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ for this interest rate of % . This payment (discount points) increases your upfront charges. (See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)	-\$1,300.00
A Your Adjusted Origination Charges	\$ 3,200.00

Your Charges for All Other Settlement Services

3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.	
Service	Cost
Appraisal	\$300.00
Credit Report	\$25.00
Tax Service	\$75.00
	\$400.00
4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.	\$900.00
5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.	
Service	Cost
Survey	\$200.00
	\$200.00
6. Taxes and fees This charge includes state and local taxes and fees.	\$600.00
7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.	\$719.35
8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$16.13 per day for 5 days (if your closing date is 3 / 27 / 04).	\$80.65
9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.	\$500.00
10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.	\$300.00
B Your Charges for All Other Settlement Services	\$ 3,700.00
A + B = Total Estimated Settlement Charges	\$ 6,900.00

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges *cannot increase* at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges *cannot increase more than 10%* at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges *can change* at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,900.00	\$ 7,900.00	\$ 5,900.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
- If you want to choose a loan with **lower settlement costs**, then you will have a **higher interest rate**.

The table above shows how the loan that we've offered you in this GFE compares to these different options. The loan in this GFE is in the first column. In the middle column is a loan with a lower interest rate. In the last column is a loan with lower settlement costs.

If you would like one of these options, you can ask for a new GFE.

If this loan offer is for an adjustable rate mortgage, the comparisons in the table are for the initial interest rate before any adjustments are made.

Proceeding with This Application

If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

The interest rate and points on this GFE are available until 3 / 1 / 04. After that, they float until you lock. You must lock in the interest rate at least **5** days before settlement.

Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						

Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges ▲						



Good Faith Estimate of Settlement Costs (GFE)

Name of Originator Pear
 Phone (800) 663-4131
 Address 40 Main Street
Anytown, USA 32372

Borrower John Smith
 SSN 298-48-3811
 Property Address 300 Fifth Street
Anytown, USA 32372

About Your GFE

What is a GFE? This GFE gives you an estimate of your settlement costs and loan terms if you are approved for this loan.

How should you use this GFE to shop for the best loan? You are the only one who can shop for the best loan for you. You should compare this GFE with other loan offers. By comparing loan offers, you can shop for the best loan. Use the table on Page 4 to compare all the offers you receive.

This terms and conditions of this GFE are valid for 10 business days from this date 2 / 20 / 04.

Keep this GFE to compare with your actual costs at settlement.

Summary of Your Loan Terms for This Estimate

Your Loan Details

Your loan amount will be:		\$ 100,000.00
Your loan is	<input checked="" type="checkbox"/> A Fixed Rate Loan	<input type="checkbox"/> An Adjustable Rate Loan
Your interest rate	6.0 %	% initially, then it will adjust. The interest rate adjustment will be based on the index and can change up to percentage points Your first adjustment will occur in (months or years)
Your loan term	30 years	years
Your monthly payment for principal, interest, and any mortgage insurance	\$ 599.55	\$ The maximum your monthly payment for principal, interest, and any mortgage insurance could be is \$
Your rate lock period	60 days. After you lock in your interest rate, you must go to settlement within this number of days to be guaranteed this interest rate.	
Does your loan have a prepayment penalty?	<input type="checkbox"/> Yes, your maximum prepayment penalty is \$ <input checked="" type="checkbox"/> No	
Does your loan have a balloon payment?	<input type="checkbox"/> Yes, you have a balloon payment of \$ due in years. <input checked="" type="checkbox"/> No	

The interest rate and monthly payment shown above can change until you lock in your interest rate.

Your Settlement Costs

Your Adjusted Origination Charges (see items 1 and 2 on page 2)	\$2,900.00
Your Charges for All Other Settlement Services (see items 3 through 10 on page 2)	\$3,700.00
Total Estimated Settlement Charges	\$6,600.00

**Understanding
Your Estimated
Settlement
Charges**

Your Charges for Loan Origination

<p>1. Our service charge These charges are for the services we provide when we get and process this loan for you.</p>	\$2,900.00
<p>2. Your credit or charge for the specific interest rate chosen (points) <input checked="" type="checkbox"/> The credit or charge for the interest rate you have chosen is included in "Our service charge." (See item 1 above) <input type="checkbox"/> You receive a credit of \$ _____ for this interest rate of ____%. This credit reduces your upfront charges. <input type="checkbox"/> You pay a charge of \$ _____ for this interest rate of ____%. This payment (discount points) increases your upfront charges. <i>(See the table on page 3 to see how you can change this charge or credit by choosing a different interest rate.)</i></p>	\$0.00
A	Your Adjusted Origination Charges \$2,900.00

Your Charges for All Other Settlement Services

<p>3. Required services that we select These charges are for services we require to complete your settlement. We will choose the providers of these services.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Appraisal</td> <td style="text-align: right;">\$300.00</td> </tr> <tr> <td>Credit Report</td> <td style="text-align: right;">\$25.00</td> </tr> <tr> <td>Tax Service</td> <td style="text-align: right;">\$75.00</td> </tr> </tbody> </table>	Service	Cost	Appraisal	\$300.00	Credit Report	\$25.00	Tax Service	\$75.00	\$400.00
Service	Cost								
Appraisal	\$300.00								
Credit Report	\$25.00								
Tax Service	\$75.00								
<p>4. Title services and lender's title insurance This charge includes the services of a title agent, for example, and title insurance to protect the lender, if required.</p>	\$900.00								
<p>5. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can refer you to providers of these services or you can shop for them yourself. Our estimates for providing these services are below.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: right;">Cost</th> </tr> </thead> <tbody> <tr> <td>Survey</td> <td style="text-align: right;">\$200.00</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Service	Cost	Survey	\$200.00					\$200.00
Service	Cost								
Survey	\$200.00								
<p>6. Taxes and fees This charge includes state and local taxes and fees.</p>	\$600.00								
<p>7. Reserves or escrow This charge is held in an escrow account to pay recurring charges on your property, such as property taxes or insurance.</p>	\$719.35								
<p>8. Daily interest charges This charge is for the daily interest on your loan from the day of your settlement until the first day of the next month or the first day of your normal mortgage payment cycle. For this loan, this amount is \$ 16.13 per day for 5 days (if your closing date is <u>3 / 27 / 04</u>).</p>	\$80.65								
<p>9. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.</p>	\$500.00								
<p>10. Optional owner's title insurance This charge is for additional insurance you can choose to buy to protect yourself from title defects.</p>	\$300.00								
B	Your Charges for All Other Settlement Services \$3,700.00								
A + B = Total Estimated Settlement Charges \$6,600.00									

Understanding Which Charges Can Change at Settlement

The charges listed on page 2 are all part of the total estimated amount that you will have to pay at settlement. Below we list which charges can change at settlement. Some of the charges can appear in more than one section, depending upon who chooses the provider of the service.

These charges cannot increase at settlement:

1. Our service charge
2. Your charge or credit for the specific interest rate chosen (after you lock in your interest rate)

The sum of these charges cannot increase more than 10% at settlement:

3. Required services that we select
4. Title services and lender's title insurance (if we select them or you use providers referred by us)
5. Required services that you can shop for (if you use providers referred by us)

These charges can change at settlement:

4. Title services and lender's title insurance (if you choose them)
5. Required services that you can shop for (if you choose them)
6. Taxes and fees
7. Reserves or escrow
8. Daily interest rate charges
9. Homeowner's insurance
10. Optional owner's title insurance

Understanding the Trade-off Between the Charges for Your Loan and Your Interest Rate

	<i>The loan in this GFE</i>	<i>A loan with a lower interest rate</i>	<i>A loan with lower settlement costs</i>
Your loan amount	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Your interest rate	6.0 %	5.75 %	6.25 %
How much your monthly payment will be	\$ 599.55	\$ 583.57	\$ 615.72
How much more or less in monthly payments from this GFE	No Change	You will pay \$ 15.98 less every month	You will pay \$ 16.17 more every month
How much more or less you will pay at settlement with this interest rate	No Change	Your lower interest rate will raise your settlement costs by \$ 1,000.00	Your higher interest rate will lower your settlement costs by \$ 1,000.00
How much your total estimated settlement charges will be	\$ 6,600.00	\$ 7,600.00	\$ 5,600.00

We have offered you a particular interest rate and estimated settlement costs in this GFE. But, it is important that you see how this loan compares to others that you could choose.

- If you want to choose a loan with a **lower interest rate**, then you will have **higher settlement costs**.
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If you would like to proceed with this mortgage application, you must pay a fee of \$ 350.00 which will be applied toward your settlement costs.

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Mortgage Shopping Chart

- Use this chart to compare Good Faith Estimates (GFEs). Fill out the information by using a different column for each GFE.
- By comparing loan offers, you can shop for the best loan offers, you can shop for the best loan.

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5	Loan 6
Loan Originator Name						

Loan Details

Loan Amount						
Interest Rate						
Loan Term						
Monthly Payment						



Settlement Costs

Adjusted Origination Charge						
Charges for All Other Settlement Services						
Total Estimated Settlement Charges						

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Round 5 Test Administration Protocol and Participant Answer Sheet

Moderator's Script for Testing Sessions (with MSC)¹

- ▶ **Important: Remind sites to administer consent form ahead of time.**

Before the participants arrive arrange chairs around the table. Allow space for seven participants. At each place put a numbered packet and a sharpened pencil. Have extra pencils ready.

Introduction (10 Minutes)

Introduce yourself.

If asked about the sponsor of the study during the introduction say that you cannot tell them now but you will tell them at the end of the session.

I'm [your first name]. I work for Aspen Systems, a research company in Rockville, Maryland. Today, we're going to spend about an hour together. I'm going to show you several new forms that have been developed to help homebuyers better understand costs as they prepare to buy or refinance a house. We want to get your reactions to these forms now, to see if the forms are helpful to typical homebuyers.

We do not share your name or other information about you. We collect and report our results without identifying people by name.

I'm going to ask you to look at three sets of new forms and, after each set, ask you a few questions about these forms. Remember, we are not testing you; we are testing the forms and how well they work.

Each of you has a packet in front of you that has a number on it. We are going to be working with the material in this envelope during our session today. Although I will be giving the same instructions to all of you, your packets are all different. Each of you has a different set of forms and will be looking at them in a different order.

As we work through these materials, please feel free to ask me to repeat instructions. However, I will not be able to answer any questions about the forms because we are testing whether the forms can be understood without relying on explanations from others. It is also very important that once we begin that you do not talk to each other or ask each other questions. Again, it is because we're trying to find out how well the forms work by themselves. Do you have any questions now?

¹ MSC = Mortgage Shopping Chart

Pause for questions about logistics. If asked about the sponsors, say that you cannot tell them now but you will tell them at the end of the session.

Questionnaire

Please open your packets now and take out the contents, keeping the materials in order as you open the envelope. We are going to be working through these materials today. You will notice that they are all numbered. Please do not look ahead at the materials until we get to them. Place the materials in front of you in this order: a questionnaire, a red packet with a square on the cover, a green packet with a circle on the cover, a blue packet with a triangle on the cover, an answer sheet, and a Mortgage Shopping Chart. As we finish each of these, I will ask you to put them back in the envelope.

Now, the first piece of paper we would like you to complete is the brief questionnaire. Again, your answers are completely confidential. We do not have you fill out your name on the questionnaire, so your answers cannot be identified as yours. Please feel free to give honest and complete answers to the questions.

When you are finished with the questionnaire, please put it back in the envelope.

Wait for everyone to complete the questionnaire and put it back in the envelope. Answer only questions about the logistics.

Thank you. Now, we can begin the most important part of today's work.

Task 1: Undirected study of the first set of forms (red set with square) by the participants (about 10 – 15 minutes)

Okay. We are ready to look at the first set of forms. The first set has a red sheet of paper on top with a square printed on it. In a moment, I would like you to begin looking at this set of forms. As you are looking at this set of forms, I would like you to imagine that you have been looking for a new home and you have located one that you would like to buy for \$120,000. You are going to put \$20,000 down on the house. Now you are in the process of trying to arrange for a mortgage loan for \$100,000. In this set of forms, two different financial institutions have given you an estimate of your costs if you use them.

Please look over the forms just as you would if you had actually received these offers. Feel free to write on the forms if you like. Remember each of you will have different forms. I am going to give you about **10 minutes** to look over both of these offers. When you are finished, I am going

to ask you a few questions about them, and you will be able to look back at the forms to answer my questions. If you finish with the forms before the 10 minutes are up, you may look back through them.

I want to remind you that you should not talk aloud to each other or to yourself because we want to know how well the forms work by themselves. Just work at your own pace. Go ahead and look at the forms in the red set with the square on the cover. Please do not go on to the other sets yet.

Allow about 10 minutes for everyone to look at the forms. Move on when most people seem comfortably finished. Do not give any visual or verbal reactions to those who finish quickly or to those who are slower.

Okay, everyone has looked at the forms. Now I want you to compare the two offers that you have and answer a few questions. Please take out your answer sheet. It looks like this. (*Hold up answer sheet.*) Remember these are two potential loan offers with estimates of the costs you will have to pay when you buy the house. Again, don't talk out loud to each other or to yourself about your answers. As I read the questions to you, simply mark your answers. Because you each have different forms, your answers will also be different.

Read each question aloud. State the question number to help people mark their answers in the right place.

1. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount? Please write or mark your answer on your answer sheet.
2. Why did you choose that answer?
3. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you? Please write or mark your answer on your answer sheet.
4. Please tell us briefly why you chose the answer that you did to question 3.

Thank you. Now please put the set of forms with the square on the cover back into the envelope. We are finished with them. Please keep your answer sheet, but put it at the bottom of your stack.

Task 2: Undirected study of the second set of forms (green set with circle) by the participants (about 10 – 15 minutes)

Okay. We are ready to look at the second set of forms. The second set has a green sheet of paper on top with a circle printed on it. In a moment, I would like you to begin looking at this set of forms. As you are looking at this set of forms, you have the same scenario. Imagine that you have been looking for a new home and you have located one that you would like to buy for \$120,000. You are going to put \$20,000 down on the house. Now you are in the process of trying to arrange for a mortgage loan for \$100,000. In this set of forms, two different financial institutions have given you an estimate of your costs if you use them.

Please look over the forms just as you would if you had actually received these offers. Feel free to write on the forms if you like. Remember, each of you will have different forms. I am going to give you about 10 minutes to look over both of these offers. When you are finished, I am going to ask you a few questions about them, and you will be able to look back at the forms to answer my questions. If you finish with the forms before the 10 minutes are up, you may look back through them.

I want to remind you that you should not talk aloud to each other or to yourself because we want to know how well the forms work by themselves. Just work at your own pace. Go ahead and look at the forms in the set with the circle on the cover. Please do not go on to the other set yet.

Allow about 10 minutes or less for everyone to look at the form. Move on when most people seem comfortably finished. Do not give any visual or verbal reactions to those who finish quickly or to those who are slower.

Okay, everyone has looked at the forms. Now I want you to compare the two offers that you have and answer a few questions. Please take out your answer sheet. Remember these are two potential loan offers with estimates of the costs you will have to pay when you buy the house. Again, don't talk out loud to each other or yourself about your answers. As I read the questions to you, simply mark your answers. Because you each have different forms, your answers will also be different.

Read each question aloud. State the question number to help people mark their answers in the right place.

5. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount? Please write or mark your answer on your answer sheet.
6. Why did you choose that answer?
7. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you? Please write or mark your answer on your answer sheet.
8. Please tell us briefly why you chose the answer that you did to question 7.

Thank you. Now please put the set of forms with the circle on the cover back into the envelope. We are finished with them. Please keep your answer sheet, but put it at the bottom of your stack.

Task 3: Undirected study of the third set of forms (blue set with triangle) by the participants (about 10 – 15 minutes)

We are now ready to look at the third set of forms. The third set has a blue sheet of paper on top with a triangle printed on it. In a moment, I would like you to begin looking at this set of forms. As you are looking at this set of forms, you have the same scenario. Imagine that you have been looking for a new home and you have located one that you would like to buy for \$120,000. You are going to put \$20,000 down on the house. Now you are in the process of trying to arrange for a mortgage loan for \$100,000. In this set of forms, two different financial institutions have given you an estimate of your costs if you use them.

Please look over the forms just as you would if you had actually received these offers. Feel free to write on the forms if you would like. Remember each of you will have different forms. I am going to give you about **10 minutes** to look over both of these offers. When you are finished, I am going to ask you a few questions about them, and you will be able to look back at the forms to answer my questions. If you finish with the forms before the 10 minutes are up, you may look back through them.

I want to remind you that you should not talk aloud to each other or to yourself because we want to know how well the forms work by themselves. Just work at your own pace. Go ahead and look at the forms in the set with the triangle on the cover.

Allow about 10 minutes or less for everyone to look at the form. Move on when most people seem comfortably finished. Do not give any visual or verbal reactions to those who finish quickly or to those who are slower.

Okay, everyone has looked at the forms. Now I want you to compare the two offers that you have and answer a few questions. Please take out your answer sheet. Remember these are two potential loan offers with estimates of the costs you will have to pay when you buy the house. Again don't talk out loud to each other or yourself about your answers. As I read the questions to you, simply mark your answers. Because you each have different forms, your answers will also be different.

Read each question aloud. State the question number to help people mark their answers in the right place.

9. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount? Please write or mark your answer on your answer sheet.
10. Why did you choose that answer?
11. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you? Please write or mark your answer on your answer sheet.
12. Please tell us briefly why you chose the answer that you did to question 11.

Thank you. Please place your forms with the triangle on the cover back into your envelope.

Task 4: Undirected study of the Mortgage Shopping Chart by the participants (about 10 minutes)

At this point, you should have only your answer sheet and a Mortgage Shopping Chart left in front of you. I am going to give to each of you four loan offers. They may be similar to the offers that you have already seen, but that's OK. Take a few minutes to look through these offers. Please do not write on these offers, as they will be used again for another session.

Hand out the four comparison offers to each of the participants and give each participant a few moments to look through each offer.

Now, here's what I want for you to do. Use the Mortgage Shopping Chart and fill it in using the information from each of the offers that I just gave to you. Please remember that you should not talk aloud to each other or to yourself, and do not write on the other four offers that I have given you. Take your time and work at your own pace. I'll give you about 10 minutes to fill in the Mortgage Shopping Chart and then I'll ask you two questions about your work on the Shopping Chart.

Wait for the participants to complete their work with the Mortgage Shopping Chart.

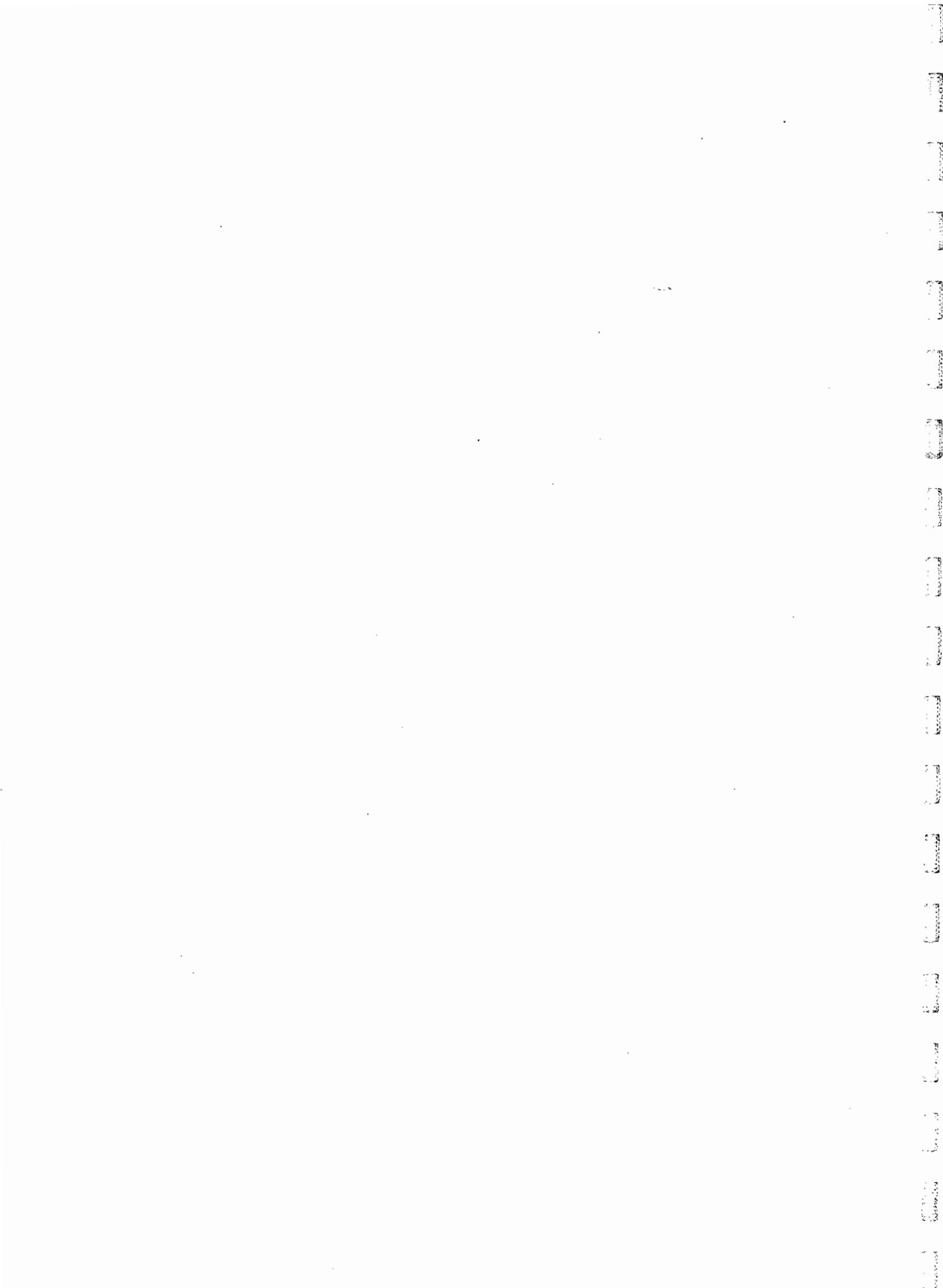
Wonderful. Now I'm going to ask you some questions about your work with the Mortgage Shopping Chart.

13. Which of these four loan-offers costs less? Write the name of the loan offer that costs less on your answer sheet.
14. Do you think this chart is helpful? Why?

Thank you. You may now return your answer sheet and Mortgage Shopping Chart to your envelope. Please leave the four offers you received on the table. I will collect them after our session.

That is all we have for you today. Thank you for answering all of those questions. They will be very helpful to us in deciding how well the forms work. If you return to the front desk, you will receive your payment. *(Check at site for how payments will be made and give those instructions.)*

If participants ask, you may now tell them that this study is being sponsored by U.S. Department of Housing and Urban Development or HUD to see if the new Good Faith Estimate forms are helpful to home buyers.



Answer Sheet

Directions: Please answer the questions below only when the moderator asks the question.

First Set (Square Set)

1. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount?
 Offer name: _____
(write name of the offer that will cost you less)
 Both loans are the same

2. Why did you choose that answer?

3. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you?
 Offer name: _____
(write name of the offer that will cost you less)
 Both offers are equally attractive
 I don't know

4. Please tell us briefly why you chose the answer that you did to question 3.

Second Set (Circle Set)

5. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount?
 Offer name: _____
(write name of the offer that will cost you less)
 Both loans are the same

6. Why did you choose that answer?

7. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you?

PLEASE TURN PAGE OVER →

- Offer name: _____
(write name of the offer that will cost you less)
- Both offers are equally attractive
- I don't know

8. Please tell us briefly why you chose the answer that you did to question 7.

Third Set (Triangle Set)

9. Based on the information in these two offers, which of these two offers will cost you less or will they cost you the same amount?

- Offer name: _____
(write name of the offer that will cost you less)
- Both loans are the same

10. Why did you choose that answer?

11. If you were shopping for a mortgage loan and these two offers were the only ones available, would you prefer one of these offers or are both equally attractive to you?

- Offer name: _____
(write name of the offer that will cost you less)
- Both offers are equally attractive
- I don't know

12. Please tell us briefly why you chose the answer that you did to question 11.

Fourth Set (Mortgage Shopping Chart)

13. Which of these four loan-offers costs less? Write the name of the loan offer that costs less.

Offer name: _____
(write name of the offer that will cost you less)

14. Do you think this chart is helpful? Why?