U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT [Optional language is in brackets]

Good Faith Estimate of Mortgage Loan Settlement Charges (GFE)

Lender Name and Address	Mortgage Broker Name and Address	File Number
Buyer/Borrower Name and Address	**Property Address**	**Date GFE Provided**

About this GFE

This is a Good Faith Estimate of Mortgage Loan Settlement Charges (GFE) from Us, the Originator, (Insert Name of Lender or Mortgage Broker), for a Mortgage Loan (Loan) as described in the Loan Description at the Proposed Interest Rate, Discount Points and Monthly Payment below. This estimate is based on the information You (Buyer/Borrower) provided Us. If You decide to use Us for the Loan in this GFE, necessary additional information will be considered in Loan Underwriting to determine whether You and the property qualify for this Loan and the terms and interest rate You may be charged.

Loan Description

Proposed Mortgage Loan Amount $ _____ **Term** _____ years

☐ **Conventional** ☐ **FHA** ☐ **FSA/RHS** ☐ **VA** ☐ **Other/Product Type** _____

☐ **Fixed Rate** ☐ **Adjustable Rate** *(See disclosure for adjustment terms)*

Prepayment Penalty ☐ Yes ☐ No **Balloon Payment** ☐ Yes ☐ No **Interest Only Payments** ☐ Yes ☐ No *(For all or part of loan)*

Proposed Interest Rate, Discount Points and Monthly Payment

Proposed Interest Rate _____% **Annual Percentage Rate (APR)** _____% *(See Truth in Lending Act disclosure)*

Discount Points _____% *(Included in settlement costs below)* **Estimated Monthly Payment** $ _____

The Actual Interest Rate for your loan may vary from the Proposed Interest Rate above based on a detailed evaluation of your application. The Interest Rate, Points and Monthly Payment for this loan also may float or change unless You lock in a rate and your loan terms. The Lender may also charge a fee when you lock in if this box is checked ☐. If you choose an Adjustable Rate Mortgage your Interest Rate and Monthly Payments may increase after closing. See the ARM disclosure for these terms.

Your Estimated Monthly Payment is the Initial Payment only and includes principal, if any, and interest. In the case of an Adjustable Rate or Payment Mortgage, the Estimated Monthly Payment does not reflect any subsequent rate or payment adjustments under your loan. Your Actual Monthly Payment may be greater because it may include taxes, hazard insurance, other amounts (e.g. association dues) and, if this box is checked ☐, mortgage insurance. In any case, Your Actual Monthly Payment will be computed based on the amounts actually required under your Loan and will be provided at closing. [At this time, we estimate that your Actual Monthly Payment will total $_____, which will include $_____ in principal, if any, and interest, $_____ in taxes, $_____ for hazard insurance, $_____ for other amounts (e.g. association dues) and $_____ for mortgage insurance.]

M-3. Mortgage Loan Settlement Charges to Be Paid by You

COMPARE THESE COSTS TO M-3 (800–1400) ON SETTLEMENT STATEMENT (HUD-1)

Note: *Charges marked with a † are used to calculate the finance charge and APR under the Truth in Lending Act (TILA).*

800. Lender Origination Charges includes the charges in A-1–A-3 below† $ _____

A-1. Lender Charges for loan origination and other Lender services† $ _____

A-2. Discount Points paid to reduce your interest rate† _____% / $ _____ ***Note:*** *This amount will vary until You lock in your rate and terms.*

A-3. Rate Lock paid to lock in your interest rate† _____% / $ _____ ***Note:*** *If you choose to lock in later, the Lender may charge an additional fee based on the term of the lock.*

850. Mortgage Broker Origination Charges to be paid directly by You to the Mortgage Broker for loan origination and other Mortgage Broker services† $ _____

Note: *Originators (Lenders and Mortgage Brokers) may receive compensation [in addition to the amounts in 800 and 850 above] based upon the interest rate and points You agree to, or on another basis. Federal law generally requires a Mortgage Broker to disclose the amount of such compensation when a Mortgage Broker arranges a loan for You and is also compensated by a Lender. The Mortgage Broker's compensation from the Lender for this Loan will be no greater than $_____ or _____% of the total loan amount. This amount is* ***not*** *included in the Mortgage Broker Origination Charges at 850 above because it is paid by the Lender directly to the Mortgage Broker. It should not be considered in comparing loans from Lenders.*

The best way to shop for Mortgage Loans among all Originators is to compare the interest rate, points and settlement charges for similar loans, as well as the APR.

900. Credit, Valuation and Inspection Charges for credit reports, property valuation inspections $ _____

1000. Title Charges for title insurance, title related services and closing services $ _____

Note: *If you are refinancing you may be entitled to a reduced title insurance premium.*

☐ Charges for Owner's Title Insurance Coverage of $_____ are included in this amount

☐ Charges for closing agent to attend closing of $_____ are included in this amount†

1100. Government Recording and Transfer Charges for this transaction $ _____

1200. Interest and Mortgage Insurance Charges to be paid in advance† $ _____

1250. Taxes, Flood and Hazard Insurance Charges to be paid in advance $ _____

☐ Your premium for hazard insurance is not included if this is a refinance transaction. You will be required, however, to provide evidence of adequate hazard insurance prior to closing

1300. Escrow Charges/Reserves to establish an escrow account to pay taxes, insurance premiums and other charges $ _____

☐ Mortgage insurance premium reserves of $_____ are included in this amount.

1350. Other Mortgage Loan Settlement Charges such as life-of-loan flood and tax services, wire transfer and other miscellaneous services not covered above† $ _____

Total Estimated Mortgage Loan Settlement Charges $ _____

Minus Mortgage Loan Settlement Costs Paid by Borrower before Closing – $ _____

Minus Any Credit from Lender – $ _____

1400. Mortgage Loan Settlement Charges to Borrower $ _____

You are responsible for the amount in 1400 above for Mortgage Loan Settlement Charges. You may be able to finance all or part of these charges. In a purchase transaction, You should review your sales contract to determine how much your down payment is, how much you have already paid as a deposit and any settlement charges listed above that the seller will pay and any other adjustments to determine how much you will be responsible for at settlement. [We estimate this total amount to be $_____, your settlement charges plus your down payment of $_____ minus your deposit and other adjustments of $_____.]

Using this GFE

The best way to shop for Mortgage Loans among all Originators is by comparing the interest rate, points and settlement charges for similar loans, as well as the APR. You may use this GFE and material provided in the *HUD Special Information Booklet* at www.hud.gov and the Truth in Lending Act disclosures for this purpose. Also, if You decide to use Us for the Loan, qualify for this Loan and do not request a material change in the Loan, You can compare the Mortgage Loan Settlement Charges in this GFE to the Mortgage Loan Settlement Charges on your HUD-1.

[Borrower(s) Signature Date [Lender] or [Mortgage Broker] (Originator) Signature Date]

DRAFT FOR REVIEW