

Mortgage Shopping WorkSheet

Questions	Example
Name of lender or broker & contact information	ABC Mortgage Co. 800-123-4567
Mortgage amount	\$180,000
Loan description	Payment-option ARM; 1-month introductory rate; 30-year term
Is this an I-O payment or a payment option ARM?	Payment-option ARM
If different payment options are available, what are the options?	1. First year's minimum payment based on initial interest rate 2. Interest-only payment based on rate after adjustment 3. Fully amortizing payment based on 30-year term
What is the full term of the mortgage?	30 years
How long is the option period?	The loan will be recalculated (recast) every 5 years. Payment options are available every month except (1) when loan is recast every 5 years, (2) when balance is 125% of original loan, or (3) if you fall more than 60 days behind in your payments.
What is the initial interest rate?	1.6%
For a payment-option ARM, how long does the initial interest rate apply?	1 month
What will the interest rate be after the initial rate?	6.4%
How often can the interest rate adjust?	Monthly
What is the periodic interest rate cap?	2% per year
What is the overall interest rate cap?	6% lifetime cap (maximum interest rate is 12.4%)
How often will the monthly payments adjust?	Annually
What is the payment cap?	7.5% per year; does not apply to recalculation every 5th year
Can this loan have negative amortization?	Yes
Is there a limit to how much the balance can grow before the loan will be recalculated?	Up to 125% of original amount borrowed (loan will be recalculated if balance grows to \$225,000)
Is there a prepayment penalty if I end this mortgage early by refinancing or selling my home?	Yes
How much is the penalty?	3% of amount borrowed in 1st year (\$5,400), down to 1% of amount borrowed in 3rd year (\$1,800); no prepayment penalty after year 3
What will my monthly payments be for the first year of the loan?	\$630
Does this include taxes and insurance? Homeowner's association fees?	No
What is the most my minimum monthly	\$677 (based on 7.5% cap)

payment could be after 12 months?	
What is the most my minimum monthly payment could be after 24 months?	\$728 (based on 7.5% cap)
What is the most my minimum monthly payment could be after 36 months?	\$783 (based on 7.5% cap)
What is the most my minimum monthly payment could be after 48 months?	\$2,491 (based on recalculation of the loan when balance is \$225,000)
What is the most my minimum monthly payment could be after 60 months (5 years)?	\$2,491 (based on recalculation of the loan after 4 years)
What would my minimum monthly payment be after 60 months (5 years) if the interest rate stays the same?	\$1,308 (based on recalculation of the loan after 5 years)
What are the fees and charges due at closing on this loan?	See good faith estimate