

Guidance for Completing the 2010 Good Faith Estimate



Please use this information for assistance when completing the 2010 GFE. Initial accuracy is imperative as it is binding and inaccuracy may result in a broker credit; these instructions are not definitive and use of this guide in no way guarantees satisfactory completion or calculation of the 2010 GFE.

HUD has also provided a variety of resources to help clarify the new RESPA requirements: http://www.hud.gov/offices/hsg/ramh/res/respa_hm.cfm

GFE PAGE 1

Basic GFE Information

Name of Originator	Borrower
Originator Address	Property Address
Originator Phone Number	Date of GFE
Originator Email	

Name of Originator: Enter your name

Borrower: Enter the Borrower's First and Last Name

Originator Address: Enter your Address

Property Address: Enter the Address of the subject property

Originator Phone Number: Enter your phone number, that can be used by the borrower

Date of GFE: Enter the date the GFE is printed

Originator email: Enter your email address, that can be used by the borrower

Important Dates

Important dates

1. The interest rate for this GFE is available through [] . After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
2. This estimate for all other settlement charges is available through []
3. After you lock your interest rate, you must go to settlement within [] days (your rate lock period) to receive the locked interest rate.
4. You must lock the interest rate at least [] days before settlement.

Line 1: For locked loans enter the lock expiration date. For unlocked loans enter the date the GFE is printed, you may enter a time if available.

Line 2: Enter the date 10 business days from the Date of GFE. A later date should not be entered here.

Line 3: For locked loans enter the lock period (in days). For unlocked loans enter a maximum of 25 days, per current lock policies.

Line 4: Enter at least **1 day**, per Bay Equity guidelines.

Summary of your loan

Summary of your loan	Your initial loan amount is	\$		
	Your loan term is		years	
	Your initial interest rate is		%	
	Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$	per month	
	Can your interest rate rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of		%.
	Even if you make payments on time, can your loan balance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of \$		
	Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?	<input type="checkbox"/> No <input type="checkbox"/> Yes, the first increase can be in		and the monthly amount owed can rise to \$. The maximum it can ever rise to is \$.
	Does your loan have a prepayment penalty?	<input type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$		
Does your loan have a balloon payment?	<input type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$		due in years.	

- **Your initial loan amount:** Enter the requested loan amount.
- **Your loan term:** Enter the term of loan in years.
- **Your initial interest rate:** Enter the starting interest rate on an ARM or the interest rate on a fixed-rate loan.
- **Your initial monthly amount owed for principal and interest:** Enter the amount of the monthly principal and interest (or accrued interest for the first payment on an interest only loan) plus any monthly mortgage insurance premiums.
- **Can your interest rate rise?** Select the appropriate box to indicate whether or not the interest rate may rise, on a fixed loan select "No". On an ARM loan select "Yes". Enter the maximum interest rate (ceiling) on the loan.
- **Even if you make payments on time, can your loan balance rise?** Bay Equity does not offer products with a negative amortization feature, select "No".
- **Does your loan have a prepayment penalty?** Bay Equity does not offer loans with a prepayment penalty, select "No".
- **Does your loan have a balloon payment?** Bay Equity does not offer loans with a balloon feature, select "No".

Escrow account information

Escrow account information	Some lenders require an escrow account to hold funds for paying property taxes or other property-related charges in addition to your monthly amount owed of \$.	
	Do we require you to have an escrow account for your loan?	
	<input type="checkbox"/> No, you do not have an escrow account. You must pay these charges directly when due.	
	<input type="checkbox"/> Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.	

Enter the amount from "Your initial monthly amount owed for principal and interest." Select "Yes" if the loan will have an escrow account for property taxes, insurance or other obligations. Otherwise select "No".

Summary of your settlement charges

Summary of your settlement charges	A	Your Adjusted Origination Charges (See page 2.)	
	B	Your Charges for All Other Settlement Services (See page 2.)	
	A + B	Total Estimated Settlement Charges	\$

Enter the amount from the Adjusted Origination Charge on page 2 of the GFE

Block 1: Our origination charge

1. **Our origination charge**
This charge is for getting this loan for you.

Enter the total of fees paid to the lender and broker. Including fees like:

- Broker Compensation
- Bay Equity LLC Lender Fee (**\$995**)
- Broker Fees, including:
 - Processing Fee
 - Application Fee
 - Administration Fee

Note: Accuracy of all the information on the GFE is imperative; this block is critical as it can only increase in the event of a valid changed circumstance.

Block 2: Credit or charge for specific interest rate chosen

2. **Your credit or charge (points) for the specific interest rate chosen**

The credit or charge for the interest rate of % is included in "Our origination charge." (See item 1 above.)

You receive a credit of \$ for this interest rate of %.
This credit **reduces** your settlement charges.

You pay a charge of \$ for this interest rate of %.
This charge (points) **increases** your total settlement charges.
The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.

- For loans with par pricing select Box 1 (**not Bay Equity-applicable**).
- For loans with a rebate select Box 2 and enter the rebate (negative) in the space provided.
- For loans with discount points select Box 3 and enter the discount points in the space provided.

Block A: Your Adjusted Origination Charge

A Your Adjusted Origination Charges

\$

Enter the total of blocks 1 and 2 being sure to consider negative rebate.

Block 3: Required services that we select

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	Charge
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Enter fees for services for which Bay Equity or you select the provider. Include fees like:

- Appraisal
- Property Inspection
- Flood Certification
- Upfront Mortgage Insurance (FHA)
- Mortgage Insurance Premium (Conventional)
- VA Funding Fee

Block 4: Title services and lender's title insurance

4. Title services and lender's title insurance This charge includes the services of a title or settlement agent, for example, and title insurance to protect the lender, if required.	
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Enter the sum of all title and escrow related fees excluding owner's title insurance. Include fees like:

- Closing/Escrow
- Title insurance
- Title endorsements
- Title updates
- Tax search
- Title closing protection letter
- Document signing
- Document preparation to title/closing
- **All fees in this section must be associated with at least 2 providers on the Settlement Service Providers List**
 - If escrow and title are designated separately, all service providers for applicable charge must be included

Block 5: Owner's title insurance

5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.	
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Enter the cost for owner's title insurance.

- **Even if paid by seller, MUST be included**

Block 6: Required Services that you can shop for

6. Required services that you can shop for These charges are for other services that are required to complete your settlement. We can identify 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>Charge</th></tr></thead><tbody><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></tbody></table>	Service	Charge							
Service	Charge								

Enter fees for services for which Bay Equity or you do not select the provider. Include fees like:

- Home inspection
- Well or septic inspection
- Pest Inspection
- Survey
- Permits
- Soil inspection
- **All fees in this section must be associated with at least 2 providers on the Settlement Service Providers List**

Block 7: Government recording charges

7. Government recording charges These charges are for state and local fees to record your loan and title documents.	
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Enter the sum of all recording charges. Include fees like:

- Security Instrument recording
- Assignment recording
- Transfer deed recording
- Power of Attorney recording

Block 8: Transfer taxes

8. Transfer taxes These charges are for state and local fees on mortgages and home sales.	
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Enter the sum of all transfer taxes. Include fees like:

- City/County tax stamps
- State tax stamps
- Transfer taxes
- Mortgage tax
- State intangible tax
- Registration tax
- **Zero tolerance for changes, unless purchase price increases**

Block 9: Initial deposit for your escrow account

9. Initial deposit for your escrow account This charge is held in an escrow account to pay future recurring charges on your property and includes <input type="checkbox"/> all property taxes, <input type="checkbox"/> all insurance, and <input type="checkbox"/> other <input type="text"/> .	
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Select the boxes that corresponded to the obligations that will be escrowed/ impounded. Enter the sum of the impounds that will be collected at closing.

Block 10: Daily interest charges

10. 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. This amount is \$ <input type="text"/> per day for <input type="text"/> days (if your settlement is <input type="text"/>).	
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Enter the amount of per diem interest, the estimated number of days for which interest will be charged and the estimated closing date. Enter the total estimated per diem interest based on the data points entered here.

Block 11: Homeowner's insurance

11. Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire.							
<table border="1"><thead><tr><th><i>Policy</i></th><th><i>Charge</i></th></tr></thead><tbody><tr><td><input type="text"/></td><td><input type="text"/></td></tr><tr><td><input type="text"/></td><td><input type="text"/></td></tr></tbody></table>	<i>Policy</i>	<i>Charge</i>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
<i>Policy</i>	<i>Charge</i>						
<input type="text"/>	<input type="text"/>						
<input type="text"/>	<input type="text"/>						

Insert the amount of upfront insurance premiums. Insert fees like:

- Hazard/Homeowner's insurance
- Flood insurance
- Tornado/Storm insurance

Block B: Your Charges for All Other Settlement Services

B Your Charges for All Other Settlement Services	\$ <input type="text"/>
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Enter the sum of blocks 3-11.

Block A + B: Total Estimated Settlement Charges

A + B Total Estimated Settlement Charges	\$ <input type="text"/>
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Enter the sum of Blocks A and B.

Using the tradeoff table

Using the tradeoff table

In this GFE, we offered you this loan with a particular interest rate and estimated settlement charges. However:

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

If you would like to choose an available option, you must ask us for a new GFE.

Loan originators have the option to complete this table. Please ask for additional information if the table is not completed.

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$ _____	\$ _____	\$ _____
Your initial interest rate ¹	_____ %	_____ %	_____ %
Your initial monthly amount owed	\$ _____	\$ _____	\$ _____
Change in the monthly amount owed from this GFE	No change	You will pay \$ more every month	You will pay \$ less every month
Change in the amount you will pay at settlement with this interest rate	No change	Your settlement charges will be reduced by \$ _____	Your settlement charges will increase by \$ _____
How much your total estimated settlement charges will be	\$ _____	\$ _____	\$ _____

¹For an adjustable rate loan, the comparisons above are for the initial interest rate before adjustments are made.

You must calculate at least the first column, subsequent columns are optional.

Using the shopping cart

Using the shopping chart

Use this chart to compare GFEs from different loan originators. Fill in the information by using a different column for each GFE you receive. By comparing loan offers, you can shop for the best loan.

	This loan	Loan 2	Loan 3	Loan 4
Loan originator name				
Initial loan amount				
Loan term				
Initial interest rate				
Initial monthly amount owed				
Rate lock period				
Can interest rate rise?				
Can loan balance rise?				
Can monthly amount owed rise?				
Prepayment penalty?				
Balloon payment?				
Total Estimated Settlement Charges				

You must calculate at least the first column, subsequent columns are optional.