

## General Disclosures

- Information displayed is accurate as of the date of the latest update and is subject to change without notice. Loan pricing can only be locked through a home mortgage consultant. Other restrictions may apply.
- The approximate cost of prepaid finance charges does not constitute and is not a substitute for the Good Faith Estimate of Closing Costs (GFE) that you will receive once you apply for a loan. This is not a mortgage loan approval or commitment to lend. The actual fees, costs and monthly payment on your specific loan transaction may vary and may include additional fees and costs.
- Mortgage rates shown are based on a 60-day lock for the purchase of a primary residence. Under certain circumstances, a 60-day rate lock may not be available.
- These mortgage rates and rate-lock period apply only in certain conditions. Your loan's interest rate and rate-lock period will depend upon the specific characteristics of your loan transaction and your credit profile up to the time of closing.
- For more information, please refer to the Loan Pricing Disclosure or contact us.

## Adjustable Rate Mortgages (ARMs)

- On adjustable-rate loans, interest rates are subject to potential increases over the life of the loan, once the initial fixed-rate period expires.
- For conforming and jumbo ARM interest rates, at adjustment your new mortgage rate will be the average of the Interbank offered rates for one-year, U.S. dollar-denominated deposits in the London market (LIBOR) as published in the Wall Street Journal, plus a margin of 2.25% subject to annual and lifetime adjustment caps.

## Jumbo

- These jumbo rates reflect a discount for meeting certain relationship criteria, including having your mortgage payment made by preauthorized electronic funds transfer. Jumbo rates may be higher for borrowers who do not meet these criteria but otherwise qualify for a jumbo mortgage loan. Please contact your home mortgage consultant for details regarding the relationship criteria or with any other questions

## Annual Percentage Rate (APR)

A yearly percentage rate that expresses the total finance charge on a loan over its entire term. The APR include the interest rate, fees, points, and mortgage insurance, and is therefore a more complete measure of a loan's cost than the interest rate alone. The loan's interest rate, not its APR is used to calculate the monthly principal and interest payment.

## Loan Pricing Disclosure

We use a system of risk-based pricing to determine the interest rate and points that we charge. This disclosure explains the basics of risk-based pricing and gives you notice of our practices and procedures in determining the interest rate and costs for your mortgage loan.

### What is Risk-Based Pricing?

Risk-based pricing is a system that evaluates the risk factors of your mortgage application and credit profile and adjusts the interest rate and discount points up or down based on this risk evaluation.

### What Factors Can Affect My Loan Pricing?

Various factors interact to adjust your loan pricing. The major factors include:

**Credit Profile:** We will obtain a credit report that shows the amount of debt you have outstanding and how you have historically paid on your debt and obligations. The credit report will also contain a "credit score" that ranks your credit history. Credit scores look at five main kinds of credit information, namely: payment history; amount owed; length of credit history; new credit; and types of credit in use. Generally, if you have had any history of nonpayment or late payments on any loans or debt, this may lower your credit score and increase your interest rate and costs. People with high credit scores consistently: pay their debts on time, keep balances low on credit cards and other revolving loans; and apply for and open new credit accounts only as needed.

**Property:** The type of property you are mortgaging also impacts your loan pricing. For example, investment property, condominiums or multifamily housing are usually considered to have a higher risk to lenders than single-family detached homes. The value of the property (usually determined by an appraisal) as compared to the amount you wish to borrow (the "loan-to-value ratio" or "LTV") also impacts your loan price. The higher the LTV, the higher the interest rate and costs. LTV's over 80% also usually require mortgage insurance. The price of mortgage insurance may vary based on your credit profile.

**Income/Debt:** The amount of your mortgage payments and total debt payments as compared to your income, ("debt-to-income ratios") may also impact your loan cost. The higher your debt-to-income ratio, the higher our risk, and so the higher the interest rate and fees.

**Other Factors:** Other factors may also affect our risk, and your interest rate and origination charge. These factors include, but are not limited to: previous bankruptcies, foreclosures or unpaid judgments; and the type of loan product applied for, such as adjustable rate versus fixed rate, or cash out refinance versus rate and term refinance.

### **How And When Is My Price Determined?**

Your price is determined by evaluating all the risk factors that are involved in your loan, and determining where you fit into our risk/price range.

We will give you an estimate of your risk-based pricing after we have done an initial evaluation of your credit history and a review of your proposed property.

REMEMBER, however, that your risk-based pricing may change from this initial estimate if any of the risk factors discussed above change – for example, if the appraised value of the property is determined to be different than the value used for your initial estimate or if your credit profile changes between the time of the initial estimate and closing.

If you choose to "lock" a rate range prior to the final risk assessment, you will be locked for the interest rate range available at that time. Your actual price will be established based on where your final risk level fits into that particular interest rate range. Your final risk level is determined at time of closing, when there are no further changes to your credit profile or loan factors.

### **Is There a Way to Obtain a Lower Price?**

If you are not in the lowest price bracket available, you may be able to obtain a lower price if you are able to lower our risk. You may accomplish this in various ways, such as: by putting more money down and lowering the LTV; finding a co-signer with additional income to support the loan; clearing inaccurate items on your credit report; paying off other debt to lower your debt-to-income ratio; changing from a cash-out refinance to rate and term refinance; or changing the term on the loan

### **Conforming 30 Year Fixed**

The above rate assumes a 20% down payment on a loan amount of \$175,000 with a 30-year term. The Principal and Interest payment for this example would be \$1,075.60. The results above assume discount points with 1% origination fee plus an estimated \$1,000 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Conforming 15 Year Fixed**

The above rate assumes a 20% down payment on a loan amount of \$175,000 with a 15-year term. The Principal and Interest payment for this example would be \$1,460.96. The results above assume discount points with 1% origination fee plus an estimated \$1,000 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Conforming 10/1 ARM**

The above rate assumes a 20% down payment on a loan amount of \$175,000 with a 30-year term. The Principal and Interest payment for this example would be \$1,075.60 for the first ten years and a maximum payment of \$1,697.80 the eleventh year. The results above assume discount points with 1% origination fee plus an estimated \$1,000 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Conforming 7/1 ARM**

The above rate assumes a 20% down payment on a loan amount of \$175,000 with a 30-year term. The Principal and Interest payment for this example would be \$1,033.90 for the first seven years and a maximum payment of \$1,648.78 the eighth year. The results above assume discount points with 1% origination fee plus an estimated \$1,000 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Conforming 5/1 ARM**

The above rate assumes a 20% down payment on a loan amount of \$175,000 with a 30-year term. The Principal and Interest payment for this example would be \$1,075.60 for the first five years and a maximum payment of \$1,697.80 the sixth year. The results above assume discount points with 1% origination fee plus an estimated \$1,000 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Conforming 3/1 ARM**

The above rate assumes a 20% down payment on a loan amount of \$175,000 with a 30-year term. The Principal and Interest payment for this example would be \$1,033.90 for the first three years and a maximum payment of \$1,648.78 the fourth year. The results above assume discount points with 1% origination fee plus an estimated \$1,000 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Jumbo 30 Year Fixed**

The above rate assumes a 20% down payment on a loan amount of \$420,000 with a 30-year term. The Principal and Interest payment for this example would be \$3,603.59. The results above assume discount points with 1% origination fee plus an estimated \$1,500 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Jumbo 15 Year Fixed**

The above rate assumes a 20% down payment on a loan amount of \$420,000 with a 15-year term. The Principal and Interest payment for this example would be \$4,244.85. The results above assume discount points with 1% origination fee plus an estimated \$1,500 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Jumbo 10/1 ARM**

The above rate assumes a 20% down payment on a loan amount of \$420,000 with a 30-year term. The Principal and Interest payment for this example would be \$3,526.70 for the first ten years and a maximum payment of \$4,588.93 the eleventh year. The results above assume discount points with 1% origination fee plus an estimated \$1,500 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Jumbo 7/1 ARM**

The above rate assumes a 20% down payment on a loan amount of \$420,000 with a 30-year term. The Principal and Interest payment for this example would be \$3,263.27 for the first seven years and a maximum payment of \$4,330.25 the eighth year. The results above assume discount points with 1% origination fee plus an estimated \$1,500 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

### **Jumbo 5/1 ARM**

The above rate assumes a 20% down payment on a loan amount of \$420,000 with a 30-year term. The Principal and Interest payment for this example would be \$3,004.04 for the first five years and a maximum payment of \$4,071.41 the sixth year. The results above assume discount points with 1% origination fee plus an estimated \$1,500 in additional prepaid finance charges. If the down payment is less than 20%, mortgage insurance may be needed which could increase the payment and APR.

*Due to various federal, state and local requirements, certain products may not be available in all areas. Other restrictions may apply. Closing costs are not included in the APR. The total points and additional prepaid finance charges are included in the Annual Percentage Rate. For adjustable rate transactions, rates are subject to increase over the life of the loan. Rates are subject to change without notice, and loan pricing may be locked only through a home mortgage consultant to be effective.*