

Get to know your Good Faith Estimate

If you're applying for a mortgage, a **Good Faith Estimate (GFE)** will be sent to you within 3 business days of your application. Use the GFE to compare offers and fees among different banks – the document looks the same regardless of which bank provides it and can be a bit confusing. Here are a few pointers to help you get to know your GFE a little better, figure out which costs are unavoidable, distinguish between fees based on your home's purchase price vs. flat or tiered fees, etc.

Total fees you'll pay to get your mortgage.

1. To create ('originate') the mortgage for you, lenders typically charge you.

3. Services banks use - they get vendors to appraise the home's value, check your credit and obtain a flood certification to see if the home is in a flood zone.

4. Title services are what lenders use to determine ownership, conduct the closing and transfer the money.

! This is an outside cost your mortgage company has no control over.

Your Adjusted Origination Charges	
1. Our origination charge	This charge is for getting this loan for you.
2. Your credit charge (points) for the specific interest rate chosen	<input type="checkbox"/> The fee or charge for the interest rate of [] % is included in "Our origination charge." (See item 1 above.) <input type="checkbox"/> You receive a credit of \$ [] for this interest rate of []%. This credit reduces your settlement charges. <input type="checkbox"/> 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.
A Your Adjusted Origination Charges	
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	Charge
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.
5. Owner's title insurance	You may purchase an owner's title insurance policy to protect your interest in the property.
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.
Service	Charge

2. Many lenders offer the option to pay a fee to get a lower rate, known as 'points.' Each point is typically 1% of the loan amount and varies based on the lender.

4. Lender's Title Insurance is required to protect your lender if unpaid liens (debt) are discovered on your home.

5. Owner's Title Insurance. Owners (you) sometimes get this optional coverage to protect their financial interest in the property if someone else claims they own your home.

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6. Lenders may require services for surveys and inspections to ensure there are no problems with your home. Choose your own vendor or from a list that lenders will provide.

7. Government Recording Charges that everyone pays. This includes charges and fees to record your loan.

9. Escrow is a fancy word for the lender regularly collecting and placing your money in an account to pay your property taxes, insurance and other recurring charges when they're due.

11. Insurance... it's required to protect your home and the things in it. Lenders estimate this cost, so shop around to find a policy with good coverage.

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8. Transfer taxes could be charged by the State, County and City when ownership of a home is transferred. No choice here.

10. Daily interest charges from the day you close on your mortgage to the day of your first billing cycle are paid upfront. After that, your regular principal and interest payments begin.

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7.	Government recording charges These charges are for state and local fees to record your loan and title documents.
8.	Transfer taxes These charges are for state and local fees on mortgages and home sales.
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 _____
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 \$_____ per day for _____ days (if your settlement is _____).
11.	Homeowner's insurance This charge is for the insurance you must buy for the property to protect from a loss, such as fire. Policy _____ Charge _____
B	Your Charges for All Other Settlement Services
A + B	Total Estimated Settlement Charges

A+B. The **total** cost to close on your home and mortgage.

B. The **total** of the settlement charges you need to pay.