

# **Good Faith Estimate 2010 Version**

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# GOOD FAITH ESTIMATE

## I. Identification (Page 1 GFE)

Name of Originator	ABC Broker	Borrower	Bob Borrower
Originator Address	456 Main Street Somewhere, USA 00000	Property Address	123 Main Street Anywhere, USA 00000
Originator Phone Number	111-222-3333	Date of GFE	April 1, 2010
Originator Email	originator@ABC lender.com		

- **Name of Originator** – Name of the Mortgage Company originating the loan
- **Originator Address** – Address of the Mortgage Company
- **Originator Phone** – Phone number of the Mortgage Company
- **Originator E-Mail** – E-mail address of the Mortgage Company
- **Borrower** – Name of Borrower
- **Property Address** – Address of the Subject Property
- **Date of GFE** – Should be dated within 3 days of initial 1003

## II. Important Dates (Page 1 GFE)

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.

**NOTE:**

**For Items 3 and 4 if Interest Rate is not locked – enter N/A**

- **Item 1** – Same as date of GFE, once rate is locked enter lock Expiration Date.
- **Item 2** – Date entered **MUST** be at least **10 Business Days** from date of GFE prepared date.(excluding Sundays and Holidays)
- **Item 3** – Enter N/A if the rate is not locked, once the interest rate is locked – entered the number of days locked.
- **Item 4** – Enter **N/A** whether the rate is locked or not.

**III. Summary of Your Loan (Page 1 GFE)**

Your initial loan amount is	\$ 294,566.00
Your loan term is	30 years
Your initial interest rate is	5.0 %
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$ 1,713.98 per month
Can your interest rate rise?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, it can rise to a maximum of %. The first change will be in .
Even if you make payments on time, can your loan balance rise?	<input checked="" 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 checked="" 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 checked="" type="checkbox"/> No <input type="checkbox"/> Yes, your maximum prepayment penalty is \$
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, you have a balloon payment of \$ due in years.

- **Your initial loan amount is** – Enter the total loan amount
- **Your loan term is** – Enter the term of the loan
- **Your initial interest rate** – Enter the interest rate quoted to the borrower
- **Your initial monthly amount owed for principal, interest, and any mortgage insurance is** – Enter the calculated P & I
- **Can your interest rate rise?**
  - **YES** – if ARM – Indicate the Max Rate (**start rate + life cap**) and number of months
  - **NO** – if Fixed
- **Even if you make payments on time, can your loan balance rise?** – Select **NO** – PMC Bancorp does not offer Neg-AM Loans
- **Even if you make payments on time, can your monthly amount owed for principal, interest, and any mortgage insurance rise?**
  - **YES** – if ARM – Indicate the Max Amount
  - **NO** – if Fixed—Enter the month of the first increase, associated PE I, and maximum PE I over the life of the loan.
- **Does your loan have a prepayment penalty?** – Select **NO** – PMC Bancorp does not offer pre-payment penalty
- **Does your loan have a balloon payment?** – Select **NO** – PMC Bancorp does not offer Balloon programs

**IV. Escrow Account Information (Page 1 GFE)**

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?

No, you do not have an escrow account. You must pay these charges directly when due.

Yes, you have an escrow account. It may or may not cover all of these charges. Ask us.

- Enter the calculated P & I
- Select the Check boxes that apply to your loan
  - NO if no impounds apply
  - YES if impounds apply

**V. Summary of your Settlement Charges (Page 1 GFE)**

<b>A</b>	Your Adjusted Origination Charges (See page 2.)	\$ 3,750.00
<b>B</b>	Your Charges for All Other Settlement Services (See page 2.)	\$ 9,751.44
<b>A + B</b>	<b>Total Estimated Settlement Charges</b>	\$ 13,501.44

- The Amounts for Items A and B should equal the amount on page 2 of GFE
- **Item A +B** – Total of Box A and B

**VI. Understanding your Estimated Settlement Charges (Page 2 GFE)**

Your Adjusted Origination Charges	
1. Our origination charge This charge is for getting this loan for you.	\$4,950.00
2. Your credit or charge (points) for the specific interest rate chosen <input type="checkbox"/> The credit or charge for the interest rate of [ ] % is included in "Our origination charge." (See item 1 above.) <input checked="" type="checkbox"/> You receive a credit of \$ [1,200.00] for this interest rate of [7.000] %. This credit <b>reduces</b> your settlement charges. <input type="checkbox"/> You pay a charge of \$ [ ] for this interest rate of [ ] %. This charge (points) <b>increases</b> 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.	(\$1,200.00)
<b>A</b> Your Adjusted Origination Charges	\$ 3,750.00

- **Box 1** – Consist of ALL origination fees – origination fees can NO longer be itemized
  - **Broker Fees** – Origination, Processing, Admin, Application
  - **Lender Fees** – PMC Fees of \$998.00

**NOTE:** **Box 1 – FEES CANNOT INCREASE**

- **Box 2** – Only one box can be checked – this is the charge or credit to the borrower for the interest rate selected

**NOTE:** **Box 2 – Credit or charge cannot increase after the rate has been locked**

- **Item A** – Total of box 1 and 2

**CHANGED CIRCUMSTANCE**

Broker needs to complete **Changed Circumstance Form** to be faxed to Account Manager for underwriter to review. If approved, PMC will send a revised GFE to the borrower, copy will be sent to the broker for reference.

If broker is locking the same rate as quoted on the initial GFE or lower completion of Changed Circumstance form is not required. Locking a rate higher than initial GFE quote rate will require completion of Changed Circumstance form. Rate quoted on initial GFE cannot increase until the period on line 1 of IMPORTANT DATE section expires.

At rate lock if the YSP increases, Block 2 can increase but Block 1 cannot increase; If YSP decreases Block 2 will decrease and Block 1 will remain the same. Block 1 cannot change due to Rate lock.

**VII. Some of these charges can change at settlement (Page 2 GFE)**

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.		<b>\$5392.25</b>
<i>Service</i>	<i>Charge</i>	
<b>Appraisal + Credit Report</b>	<b>\$400.00</b>	
<b>Upfront MIP</b>	<b>\$4992.25</b>	
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.		<b>\$925.00</b>
5. Owner's title insurance You may purchase an owner's title insurance policy to protect your interest in the property.		<b>\$725.00</b>
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.		<b>\$295.00</b>
<i>Service</i>	<i>Charge</i>	
<b>Home Warranty</b>	<b>\$250.00</b>	
<b>Pest Inspection</b>	<b>\$45.00</b>	
7. Government recording charges These charges are for state and local fees to record your loan and title documents.		<b>\$50.00</b>

- **Box 3** – Other services where the originator designates the service providers. For appraisal fee include possible charge for field / desk review.
- **Box 4** – Includes title cost, escrow fees, and lender title insurance premium, notary, wire fee
- **Box 5** – For purchase transaction only. If transaction is a Refinance – Enter **N/A or leave blank**
- **Box 6** – Any other fees required by the lender where the borrower may choose the provider
- **Box 7** – State and Local government fees for recording the loan and title documents

**NOTE:** **Box 3 to 7 – The overall total can only increase to 10% tolerance if the borrower selects companies identified.**

**If the borrower chooses their own, these fees may change and tolerance will not apply**

**ALSO**

**Box 4 to 6 – Broker needs to include a list of service providers along with the GFE at least 1 Escrow and 1 Title Company with address and phone numbers.**

**VIII. Some of these charges can change at settlement (Page 2 GFE) - continued**

8. Transfer taxes These charges are for state and local fees on mortgages and home sales.	\$1368.00				
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 checked="" type="checkbox"/> all property taxes, <input checked="" type="checkbox"/> all insurance, and <input type="checkbox"/> other _____.	\$306.60				
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 \$ <u>39.59</u> per day for <u>1</u> days (if your settlement is <u>5/13/09</u> ).	\$39.59				
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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Policy</th> <th style="text-align: left;">Charge</th> </tr> </thead> <tbody> <tr> <td>Insure U</td> <td>\$650.00</td> </tr> </tbody> </table>	Policy	Charge	Insure U	\$650.00	\$650.00
Policy	Charge				
Insure U	\$650.00				
<b>B</b> Your Charges for All Other Settlement Services	\$ 9,751.44				
<b>A + B</b> Total Estimated Settlement Charges	\$ 13,501.44				

- **Box 8** – For purchase transaction only Sum of all state city and local fees on mortgages and home sales paid by the borrower – THIS AMOUNT CANNOT INCREASE
- **Box 9** – Tolerance is not applicable – THIS AMOUNT CAN CHANGE
- **Box 10** – Amount due at settlement to cover interest until the first day of the first payment period - Tolerance is not applicable – THIS AMOUNT CAN CHANGE
- **Box 11** – Total amount of hazard or other insurance policies that must be purchased before settlement - Tolerance is not applicable – THIS AMOUNT CAN CHANGE
- **Box B** – Total of all other settlement services from items 3 to 11
- **Box A + B** – Total estimated settlement charges

**IX. Understanding which Charges can Change at Settlement (Page 3 GFE)**

This GFE estimates your settlement charges. At your settlement, you will receive a HUD-1, a form that lists your actual costs. Compare the charges on the HUD-1 with the charges on this GFE. Charges can change if you select your own provider and do not use the companies we identify. (See below for details.)

These charges cannot increase at settlement:	The total of these charges can increase up to 10% at settlement:	These charges can change at settlement:
<ul style="list-style-type: none"> <li>■ Our origination charge</li> <li>■ Your credit or charge (points) for the specific interest rate chosen (after you lock in your interest rate)</li> <li>■ Your adjusted origination charges (after you lock in your interest rate)</li> <li>■ Transfer taxes</li> </ul>	<ul style="list-style-type: none"> <li>■ Required services that we select</li> <li>■ Title services and lender's title insurance (if we select them or you use companies we identify)</li> <li>■ Owner's title insurance (if you use companies we identify)</li> <li>■ Required services that you can shop for (if you use companies we identify)</li> <li>■ Government recording charges</li> </ul>	<ul style="list-style-type: none"> <li>■ Required services that you can shop for (if you do not use companies we identify)</li> <li>■ Title services and lender's title insurance (if you do not use companies we identify)</li> <li>■ Owner's title insurance (if you do not use companies we identify)</li> <li>■ Initial deposit for your escrow account</li> <li>■ Daily interest charges</li> <li>■ Homeowner's insurance</li> </ul>

**X. Using the Trade Off Table (Page 3 GFE)**

	The loan in this GFE	The same loan with lower settlement charges	The same loan with a lower interest rate
Your initial loan amount	\$ 294,566	\$	\$
Your initial interest rate <sup>1</sup>	7.000 %	%	%
Your initial monthly amount owed	\$ 744.15	\$	\$
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	\$ 7,690.58	\$	\$

- **Column 1** – Broker / Originator is required to fill out only the first column. Column 2 or 3 are optional

**XI. Using The Shopping Cart (Page 3 GFE)**

	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?				
<b>Total Estimated Settlement Charges</b>				

- You are NOT required to complete this chart

**XII. PMC Bancorp Disclosure**

*PMC Bancorp is not obligated to accept the loan from the Broker should the loan term, fees, or other information on the initial GFE is inaccurate or unacceptable.*

## RESPA - List of Example Fees

See below Examples of the most common fees that fall into each block on the GFE. Please Note that these Example Fees are for information purposes only.

Block	Fee Category on GFE	Examples
<b>BLOCK 1 &amp; 2: CANNOT INCREASE / 0% TOLERANCE</b>		
1	<a href="#"><u>Our Origination Charge</u></a>	<ul style="list-style-type: none"> <li>• Admin Fee</li> <li>• Application Fee</li> <li>• Broker / Lender Doc Prep Fee</li> <li>• Commitment Fee</li> <li>• Courier Fee</li> <li>• Extended Lock Fee</li> <li>• Fax / Copies / Postage 3rd Party Fee</li> <li>• Funding Fee</li> <li>• Origination Fee</li> <li>• Processing Fee</li> <li>• Rate Lock Extension Fee</li> <li>• Underwriting Fee</li> <li>• Processing Fee 3rd Party</li> <li>• Secondary Market Credit / Mortgage Broker Compensation</li> <li>• Yield Spread Premium (YSP) / Rebate</li> </ul>
2	<a href="#"><u>Credit or Charge for the interest rate chosen</u></a>	<ul style="list-style-type: none"> <li>• Yield Spread Premium (YSP) / Rebate</li> <li>• Loan Discount Points</li> </ul>
<b>BLOCK 3: CANNOT INCREASE MORE THAN 10%</b>		
3	<a href="#"><u>Required services that we (lender / broker) select</u></a>	<ul style="list-style-type: none"> <li>• Appraisal Fee including desk/field review</li> <li>• Appraisal Update or Final Inspection</li> <li>• Credit Report Fee</li> <li>• Mortgage Insurance</li> <li>• FHA Upfront MIP</li> <li>• HOA Certificate / Questionnaire</li> </ul>
<b>BLOCK 4-6: • CANNOT INCREASE MORE THAN 10% (IF BORROWER SELECT COMPANIES IDENTIFIED ON THE SERVICE PROVIDER LIST OR, • CAN INCREASE (IF BORROWER DID NOT USE COMPANIES BROKER IDENTIFIED ON THE SERVICER PROVIDER LIST)</b>		
4	<a href="#"><u>Title services and lender's title insurance</u></a>	<ul style="list-style-type: none"> <li>• Abstract Title Search Fee</li> <li>• Attorney Fee</li> <li>• Courier / Messenger / Overnight Delivery Fee</li> <li>• Closing Protection / Service Letter</li> <li>• Closing / Escrow / Settlement Fee</li> <li>• Doc Prep Fee</li> <li>• Endorsements</li> <li>• Environmental Assessment Search</li> <li>• Escrow Fee</li> <li>• Loan Tie-in Fee</li> <li>• Notary Fee</li> </ul>

		<ul style="list-style-type: none"> <li>• Notice of Settlement Fee</li> <li>• Recording Service Fee</li> <li>• Title Binder</li> <li>• Title Exam</li> <li>• Title Insurance – Lender’s Coverage</li> <li>• Title Guarantee</li> <li>• Title Search Fee</li> </ul>
5	<a href="#"><u>Owner’s Title Insurance</u></a>	<ul style="list-style-type: none"> <li>• Title Insurance – Owner’s Coverage (Required to be disclosed on all purchase transactions under borrowers column regardless of who is paying)</li> </ul>
6	<a href="#"><u>Required services that you (borrower) can shop for</u></a>	<ul style="list-style-type: none"> <li>• Pest Inspection</li> <li>• Structural Inspection Fee</li> <li>• Survey / Plat / Improvement Fee</li> <li>• Survey Fee</li> <li>• Termite Inspection</li> </ul>

**BLOCK 7: CANNOT INCREASE MORE THAN 10%**

7	<a href="#"><u>Government recording charges</u></a>	<ul style="list-style-type: none"> <li>• Recording Fee – Assignment</li> <li>• Recording Fee – Deed</li> <li>• Recording Fee – Misc.</li> <li>• Recording Fee – Mortgage / DOT</li> <li>• Recording Fee – Releases</li> <li>• Recording Fee – Transfer Deeds</li> </ul>
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**BLOCK 8: CANNOT INCREASE / 0% TOLERANCE**

8	<a href="#"><u>Transfer taxes</u></a>	<ul style="list-style-type: none"> <li>• City / County Tax / Stamps – Deed of Trust or Mortgage</li> <li>• Conservation Fee</li> <li>• Intangible Tax</li> <li>• Mansion / Luxury Tax</li> <li>• Mortgage Registration Tax</li> <li>• Recordation Tax</li> <li>• State Tax / Stamps – Deed or Mortgage</li> <li>• Subordination Fee – Recording</li> </ul> <p>- if seller is paying should reflect on sellers column</p>
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**BLOCK 9-11: CAN INCREASE**

9	<a href="#"><u>Initial Escrow Deposit</u></a>	<ul style="list-style-type: none"> <li>• Monthly Mortgage Insurance</li> <li>• Property Taxes</li> <li>• Hazard or Flood or Earthquake Insurance</li> </ul>
10	<a href="#"><u>Daily Interest Charges</u></a>	<ul style="list-style-type: none"> <li>• Prepaid Interest</li> </ul>
11	<a href="#"><u>Homeowners Insurance</u></a>	<ul style="list-style-type: none"> <li>• Hazard Insurance Premium</li> <li>• Earthquake Insurance Premium</li> <li>• Flood Insurance Premium</li> </ul>

**FEES/CHARGES THAT ARE NOT TYPICALLY LISTED ON GFE WHEN NOT REQUIRED BY PMC**  
 (can be separately itemize in HUD 1300 series)

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• HOA Dues</li> <li>• HOA Document / Demand / Processing Fee</li> <li>• HOA Transfer Fee</li> <li>• Natural Hazard Disclosures</li> <li>• Prorated Property Tax</li> <li>• Loan payoff / Debt Payoff</li> </ul> | <ul style="list-style-type: none"> <li>• REO Servicing Fee</li> <li>• REO DocReview Fee</li> <li>• Termite Inspection</li> <li>• Home Warranty</li> </ul> |
|--|---|