

LenderUSA

Providing Mortgage Solutions for Professionals and Their Clients!

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The purpose of this analysis is to help you make an informed decision when comparing programs requiring PMI.

FOLLOW THESE 2 SIMPLE STEPS:

1. Review PROGRAM DETAILS which compares a loan program which requires you to pay for Mortgage Insurance (PMI) vs. a program based on a first and second mortgage, to avoid PMI.
2. ADDITIONAL HOME EQUITY will provide you with further insight as to why the second program might be more advantageous to you financially.

PMI Analysis

Preferred Client

123 Good Decision Lane

Dallas, TX 75075

LOAN PROGRAM DETAILS

This Summary table displays two loan programs. The first program requires an additional payment called PMI because the loan to value ratio is higher than 80%.

The second program has no PMI requirement because the first mortgage has a loan to value ratio of 80%. A second mortgage is added instead, to make up the difference.

This strategy results in increased equity, higher tax deduction, and often lower monthly payments.

	Program (PMI)	Prog. (No PMI)
Purchase Price	\$322,700	\$322,700
Down Payment	5.000%	5.000%
1st Mortgage Amount	\$306,565	\$258,160
Rate	6.750%	6.750%
Term	360	360
P & I Payment	\$1,988	\$1,674
Monthly PMI Payment at 0.780%	\$199	N/A
2nd Mortgage Amount	N/A	\$48,405
Rate	N/A	8.500%
Term	N/A	180
P & I Payment	N/A	\$477
Total Monthly Payment	\$2,188	\$2,151
Net Savings	\$0	\$37

ADDITIONAL HOME EQUITY

As you compare both loan programs, take notice of the additional home equity which builds over time. Notice the increase over these listed years!

Why pay more for a mortgage program which generates no additional home equity and provides for potentially less tax benefits?

		Program (PMI)	Prog. (No PMI)
5 Years	1st Mortgage	\$287,790	\$242,350
	2nd Mortgage	N/A	\$38,445
	Total Balance	\$287,790	\$280,795
	Additional Home Equity	\$0	\$6,996
7 Years	1st Mortgage	\$278,323	\$234,377
	2nd Mortgage	N/A	\$33,120
	Total Balance	\$278,323	\$267,497
	Additional Home Equity	\$0	\$10,826
15 Years	1st Mortgage	\$224,698	\$189,219
	2nd Mortgage	N/A	\$0
	Total Balance	\$224,698	\$189,219
	Additional Home Equity	\$0	\$35,479

TAX BENEFITS (Approx).

Finally the additional tax benefits of the second program outweigh those of the first program with PMI.

		Program (PMI)	Prog. (No PMI)	Difference
Tax Bracket 33%	Monthly	\$569	\$592	\$23
	Quarterly	\$1,707	\$1,777	\$70
	Annually	\$6,829	\$7,108	\$280

NOTES

Network Funding Corporation: Provides financial solutions for professionals, their clients, individuals and families to assist in accomplishing their goals. Many of our clients are referrals from legal, taxation, family planning, insurance and investment professionals assisting in achieving their clients' goals. In the process we have been fortunate to serve the professional community for their personal needs as well. Our strategies range from debt repositioning for investment purposes to retirement refinancing. We have assisted with simple rate refinancing to a more complicated lowest non-fixed rate loan while in employment transition, lowering the clients overall financial obligations.

Our True, long term relationship with the client begins with the closing. When we handle every transaction in a manner that creates the highest degree of client satisfaction possible, we have earned their business, as well as all of their referrals. If you have a question about this statement call (877) 472-9206 or (972) 519-1699 M-F 9am to 5pm Standard Time

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* NOTICE: Information provided is time-sensitive material. Rates, programs, fees and points are subject to change without notice. If you are applying for an Adjustable Rate Mortgage payments and interest rates will change. Payments, interest rates, and loan balances are estimates only. Your amount may be different. This is not a loan commitment, nor is it a guarantee of any kind. This comparison is based solely on estimated figures and information available at the time of preparation.