

\*\*Note: this is an example of the hypothetical purchase model's format and structure.

Actual payment will vary with interest rates.

# **HYPOTHETICAL PURCHASE MODEL**

## **30 YR Fixed FHA @ 5.75%**

<b>SALES PRICE</b>	\$300,000
Down Payment	\$10,500
Loan Amount	\$289,500

## **New Monthly Payment**

Principle & Interest	\$1,719.01
Real Estate Taxes	\$250
Mortgage Insurance	\$132.69
Home Owner's Insurance	\$50
HOA Dues	\$60
<b>Total Monthly Payment</b>	<b>\$2,211.70</b>

## **Cash Required to Close**

Down Payment	\$10,500
Closing Costs	\$6,074.14
Pre Pairs / Reserves	\$2396.06
Home & Radon Inspection	\$500
<b>Total Cash Required</b>	<b>\$19,470.20</b>
Seller Paid Contribution Towards Closing Costs	+ ?

**Notes:**

# Good Faith Estimate

(Not a Loan Commitment)

Date: 12/09/2008

Lender Name and Address: Virginia Heritage Bank 4211 Pleasant Valley Rd. Charlottesville, VA 22901		Subject Property:		Borrower(s): John Homeowner	
Loan Number:		Interest Rate: 5.750	Type of Loan: FHA	Base Loan Amt: 289,500.00	
Loan Program: FHA Fixed		Term: 360	Sales Price: 380,000.00	Total Loan Amt: 294,566.00	
<p>The information provided below reflects estimates of the charges you are likely to incur at the settlement of your loan. The fees listed are estimates; actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 or HUD-1A settlement statement you will receive at settlement. The HUD-1 or HUD-1A settlement statement will show you the actual cost of items paid at settlement.</p>					
<b>800 Items Payable in Connection with the Loan</b>			<b>1100 Title Charges</b>		
801 A	Loan Origination Fee @ % +	\$	1101 A	Settlement or Closing Fee	\$ 255.00
802 A	Loan Discount Fee @ % +	\$	1102	Abstract or Title Search	\$ 90.00
803	Appraisal Fee	\$ 360.00	1103	Title Examination	\$ 100.00
804	Credit Report	\$ 20.00	1104	Title Insurance Binder	\$ 125.00
805	Lender's Inspection Fee	\$	1105	Document Preparation Fee	\$
806	MI Application Fee	\$	1108	Notary Fee	\$
807	Assumption Fee	\$	1107 A	Attorney Fee	\$
808	Mortgage Broker Fee @ % +	\$	1108	Title Insurance Fee	\$ 1,500.00
809 A	Tax Servicing Fee	\$ 80.00	1109		\$
810 A	Processing Fee	\$ 400.00	1110		\$
811 A	Underwriting Fee	\$ 300.00	1111	Courier Fees	\$ 78.00
812	Wire Transfer Fee	\$	1112		\$
813		\$	1113		\$
814 A	Flood Certification	\$ 20.00	1114		\$
815		\$	<b>1200 Government Recording and Transfer Charges</b>		
816		\$	1201	Recording Fee	\$ 48.00
817		\$	1202	Local Tax/Stamp	\$ 676.00
818		\$	1203	State Tax/Stamp	\$ 2,025.14
819		\$	1204		\$
820		\$	1205		\$
821		\$	1206		\$
822		\$	<b>1300 Additional Settlement Charges</b>		
823		\$	1301	Survey fee:	\$
Compensation to Broker from Lender (Not paid out of Applicant's Loan Proceeds)			1302	Termite/Pest Inspection:	\$
824			1303		\$
825			1304		\$
			1305		\$
			1306		\$
			1307		\$
			1308		\$
			1309		\$
			<b>Total Estimated Closing Costs</b>		<b>\$ 6,074.14</b>
<b>900 Items Required by Lender to be Paid in Advance</b>			<b>1000 Reserves Deposited with Lender</b>		
901	Prepaid Interest 15 days @ 4.4042	\$ 696.06	1001	Hazard Ins 2 mths @ 50.00	\$ 100.00
902 A	Mortgage Insurance Premium	\$ 5,066.25	1002 A	Mortgage Ins mths @ 132.89	\$
903	Hazard Insurance Premium	\$ 800.00	1003	City Prop. Tax mths @	\$
904	County Property Tax	\$	1004	Property Tax 4 mths @ 250.00	\$ 1,000.00
905	VA Funding Fee	\$	1006	Flood Ins mths @	\$
906	Flood Insurance Premium	\$	1007	mths @	\$
907		\$	1008	mths @	\$
908		\$	1009	mths @	\$
			1010	Aggregate Analysis	\$
			<b>Total Estimated Reserve/Prepaid Costs</b>		<b>\$ 7,462.31</b>
<b>Total Estimated Monthly Payment</b>			<b>Total Estimated Funds Needed to Close</b>		
Principal & Interest		\$ 1,718.01	Purchase Price/Payoff	(+) \$	300,000.00
Other Financing (P & I)		\$	Total Estimated Closing Costs	(-) \$	6,074.14
Hazard Insurance		\$ 50.00	Total Estimated Reserve/Prepaid Costs	(-) \$	2,398.06
Real Estate Taxes		\$ 250.00	Discounts (if borrower will pay)	(-) \$	
Mortgage Insurance		\$ 132.69	FHA UFMIP/VA Funding Fee	(+) \$	5,066.25
HOA Dues		\$ 80.00	<b>Total Costs</b>	(c) \$	313,536.45
Other		\$	Loan Amount	(-) \$	289,500.00
<b>Total Monthly Payment</b>		<b>\$ 2,211.70</b>	Total Non-Borrower Paid Closing Costs	(-) \$	
<b>Closing Costs Summary</b>			FHA UFMIP/VA Fee Financed	(-) \$	5,066.00
Total Borrower Paid Closing Costs	(a)	\$ 13,538.45	Lender Credit	(-) \$	
		\$	Seller Credit	(-) \$	
		\$		(-) \$	
		\$		(-) \$	
		\$	First Mortgage	(-) \$	
		\$	Second Mortgage (Subordinate Financing)	(-) \$	
		\$	Closing Costs from 2nd Lien	(+) \$	
Total Non-Borrower Paid Closing Costs	(b)	\$	<b>Total Credits</b>	(d) \$	294,566.00
<b>Total Closing Costs</b>	(a+b)	<b>\$ 13,538.45</b>	<b>Cash from borrower</b>	(c - d) \$	18,870.45
\$ - Paid by Seller	B - Paid by Broker	A - APR Affected by Cost			
\$ - Split by Seller & Others	L - Paid by Lender	O - Paid by Other			P - Paid Outside Closing (POC)

These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your Mortgage Broker or lender if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of a copy of the Special Information Booklet "Settlement Costs."

Borrower: John Homeowner Date: \_\_\_\_\_ Co-borrower: \_\_\_\_\_ Date: \_\_\_\_\_  
 GFE Lender Expanded 07/05 - Encompass™ from Ellie Mae - www.elliemae.com

# TAXES

<b>GROSS ANNUAL INCOME</b>	\$100,000
Real Estate Deductions (interest 1411.46+ RE taxes 250 = 1661.46 x 12)	\$19,937.52
Tithe/Charitable Giving	\$10,000
Other Itemized Deductions	?
<b>Adjusted Net Taxable Income</b>	<b>\$70,062.48</b>

## Tax Bracket

Combined Tax Amount = 30.75% (25% Federal + 5.75% State)

\*see tax guide

Note: To get to lower tax bracket, adjusted taxable income below \$65,101

## Monthly Tax Savings

Interest	\$1411.46
Real Estate Taxes	\$250
<b>Total</b>	<b>\$1661.46</b>
x Combined Tax (Fed +State)	x .3075
<b>Monthly Tax Savings</b>	<b>\$510.89</b>

Notes:

# Loan Amortization Schedule

Total Amount Paid: (\$618,840.78)

Paid off in 30 years and 0 months.

Interest Paid: (\$324,274.78)

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<i>Pmt #</i>	<i>Start of Period</i>	<i>Interest Rate</i>	<i>Actual Balance</i>	<i>Scheduled Payment</i>	<i>Interest Portion</i>	<i>Principal Portion</i>	<i>Additional Payment</i>	<i>Ending Balance</i>
1	02/2009	5.750	294,566.00	(1,719.01)	(1,411.46)	(307.55)	0.00	294,258.45
2	03/2009	5.750	294,258.45	(1,719.01)	(1,409.99)	(309.02)	0.00	293,949.43
3	04/2009	5.750	293,949.43	(1,719.01)	(1,408.51)	(310.50)	0.00	293,638.93
4	05/2009	5.750	293,638.93	(1,719.01)	(1,407.02)	(311.99)	0.00	293,326.94
5	06/2009	5.750	293,326.94	(1,719.01)	(1,405.52)	(313.49)	0.00	293,013.45
6	07/2009	5.750	293,013.45	(1,719.01)	(1,404.02)	(314.99)	0.00	292,698.46
7	08/2009	5.750	292,698.46	(1,719.01)	(1,402.51)	(316.50)	0.00	292,381.96
8	09/2009	5.750	292,381.96	(1,719.01)	(1,401.00)	(318.01)	0.00	292,063.95
9	10/2009	5.750	292,063.95	(1,719.01)	(1,399.47)	(319.54)	0.00	291,744.41
10	11/2009	5.750	291,744.41	(1,719.01)	(1,397.94)	(321.07)	0.00	291,423.34
11	12/2009	5.750	291,423.34	(1,719.01)	(1,396.40)	(322.61)	0.00	291,100.73
12	01/2010	5.750	291,100.73	(1,719.01)	(1,394.86)	(324.15)	0.00	290,776.58
13	02/2010	5.750	290,776.58	(1,719.01)	(1,393.30)	(325.71)	0.00	290,450.87
14	03/2010	5.750	290,450.87	(1,719.01)	(1,391.74)	(327.27)	0.00	290,123.60
15	04/2010	5.750	290,123.60	(1,719.01)	(1,390.18)	(328.83)	0.00	289,794.77
16	05/2010	5.750	289,794.77	(1,719.01)	(1,388.60)	(330.41)	0.00	289,464.36
17	06/2010	5.750	289,464.36	(1,719.01)	(1,387.02)	(331.99)	0.00	289,132.37
18	07/2010	5.750	289,132.37	(1,719.01)	(1,385.43)	(333.58)	0.00	288,798.79
19	08/2010	5.750	288,798.79	(1,719.01)	(1,383.83)	(335.18)	0.00	288,463.61
20	09/2010	5.750	288,463.61	(1,719.01)	(1,382.22)	(336.79)	0.00	288,126.82
21	10/2010	5.750	288,126.82	(1,719.01)	(1,380.61)	(338.40)	0.00	287,788.42
22	11/2010	5.750	287,788.42	(1,719.01)	(1,378.99)	(340.02)	0.00	287,448.40
23	12/2010	5.750	287,448.40	(1,719.01)	(1,377.36)	(341.65)	0.00	287,106.75
24	01/2011	5.750	287,106.75	(1,719.01)	(1,375.72)	(343.29)	0.00	286,763.46
25	02/2011	5.750	286,763.46	(1,719.01)	(1,374.07)	(344.94)	0.00	286,418.52
26	03/2011	5.750	286,418.52	(1,719.01)	(1,372.42)	(346.59)	0.00	286,071.93
27	04/2011	5.750	286,071.93	(1,719.01)	(1,370.76)	(348.25)	0.00	285,723.68
28	05/2011	5.750	285,723.68	(1,719.01)	(1,369.09)	(349.92)	0.00	285,373.76
29	06/2011	5.750	285,373.76	(1,719.01)	(1,367.42)	(351.59)	0.00	285,022.17
30	07/2011	5.750	285,022.17	(1,719.01)	(1,365.73)	(353.28)	0.00	284,668.89
31	08/2011	5.750	284,668.89	(1,719.01)	(1,364.04)	(354.97)	0.00	284,313.92
32	09/2011	5.750	284,313.92	(1,719.01)	(1,362.34)	(356.67)	0.00	283,957.25
33	10/2011	5.750	283,957.25	(1,719.01)	(1,360.63)	(358.38)	0.00	283,598.87
34	11/2011	5.750	283,598.87	(1,719.01)	(1,358.91)	(360.10)	0.00	283,238.77
35	12/2011	5.750	283,238.77	(1,719.01)	(1,357.19)	(361.82)	0.00	282,876.95
36	01/2012	5.750	282,876.95	(1,719.01)	(1,355.45)	(363.56)	0.00	282,513.39
37	02/2012	5.750	282,513.39	(1,719.01)	(1,353.71)	(365.30)	0.00	282,148.09
38	03/2012	5.750	282,148.09	(1,719.01)	(1,351.96)	(367.05)	0.00	281,781.04
39	04/2012	5.750	281,781.04	(1,719.01)	(1,350.20)	(368.81)	0.00	281,412.23
40	05/2012	5.750	281,412.23	(1,719.01)	(1,348.43)	(370.58)	0.00	281,041.65
41	06/2012	5.750	281,041.65	(1,719.01)	(1,346.66)	(372.35)	0.00	280,669.30
42	07/2012	5.750	280,669.30	(1,719.01)	(1,344.87)	(374.14)	0.00	280,295.16
43	08/2012	5.750	280,295.16	(1,719.01)	(1,343.08)	(375.93)	0.00	279,919.23
44	09/2012	5.750	279,919.23	(1,719.01)	(1,341.28)	(377.73)	0.00	279,541.50
45	10/2012	5.750	279,541.50	(1,719.01)	(1,339.47)	(379.54)	0.00	279,161.96
46	11/2012	5.750	279,161.96	(1,719.01)	(1,337.65)	(381.36)	0.00	278,780.60
47	12/2012	5.750	278,780.60	(1,719.01)	(1,335.82)	(383.19)	0.00	278,397.41



# Tax Numbers Desk Guide



	2008		2007		2006		2005	
<b>SINGLE -</b>								
RATES/TAXABLE INCOME	%	\$	%	\$	%	\$	%	\$
	10	1-8,025	10	1-7,825	10	1-7,550	10	1-7,300
	15	8,026-32,550	15	7,826-31,850	15	7,551-30,650	15	7,301-29,700
	25	32,551-78,850	25	31,851-77,100	25	30,651-74,200	25	29,701-71,950
	28	78,851-164,550	28	77,101-160,850	28	74,201-154,800	28	71,951-150,150
	33	164,551-357,700	33	160,851-349,700	33	154,801-336,550	33	150,151-326,450
	35	Over 357,700	35	Over 349,700	35	Over 336,550	35	Over 326,450
<b>MARRIED JOINT -</b>								
RATES/TAXABLE INCOME	%	\$	%	\$	%	\$	%	\$
	10	1-16,050	10	1-15,650	10	1-15,100	10	1-14,600
	15	16,051-65,100	15	15,651-63,700	15	15,101-61,300	15	14,601-59,400
	25	65,101-131,450	25	63,701-128,500	25	61,301-123,700	25	59,401-119,950
	28	131,451-200,300	28	128,501-195,850	28	123,701-188,450	28	119,951-182,800
	33	200,301-357,700	33	195,851-349,700	33	188,451-336,550	33	182,801-326,450
	35	Over 357,700	35	Over 349,700	35	Over 336,550	35	Over 326,450
<b>MARRIED SEPARATE -</b>								
RATES/TAXABLE INCOME	%	\$	%	\$	%	\$	%	\$
	10	1-8,025	10	1-7,825	10	1-7,550	10	1-7,300
	15	8,026-32,550	15	7,826-31,850	15	7,551-30,650	15	7,301-29,700
	25	32,551-78,850	25	31,851-77,100	25	30,651-74,200	25	29,701-71,950
	28	78,851-164,550	28	77,101-160,850	28	74,201-154,800	28	71,951-150,150
	33	164,551-357,700	33	160,851-349,700	33	154,801-336,550	33	150,151-326,450
	35	Over 357,700	35	Over 349,700	35	Over 336,550	35	Over 326,450
<b>HEAD OF HOUSEHOLD -</b>								
RATES/TAXABLE INCOME	%	\$	%	\$	%	\$	%	\$
	10	1-11,450	10	1-11,200	10	1-10,750	10	1-10,450
	15	11,451-43,650	15	11,201-42,650	15	10,751-41,050	15	10,451-39,800
	25	43,651-112,650	25	42,651-110,100	25	41,051-106,000	25	39,801-102,800
	28	112,651-182,400	28	110,101-178,350	28	106,001-171,650	28	102,801-166,450
	33	182,401-357,700	33	178,351-349,700	33	171,651-336,550	33	166,451-326,450
	35	Over 357,700	35	Over 349,700	35	Over 336,550	35	Over 326,450
<b>12 MO. CAPITAL GAINS RATE</b>		15%/0%		15%/5%		15%/5%		15%/5%
<b>STANDARD DEDUCTION</b>								
Single		\$ 5,450		\$ 5,350		\$ 5,150		\$ 5,000
Joint returns & surviving spouses		10,900		10,700		10,300		10,000
Married filing separately		5,450		5,350		5,150		5,000
Head of household		8,000		7,850		7,550		7,300
Additional for elderly or blind (married)		1,050		1,050		1,000		1,000
Additional for elderly or blind (single)		1,350		1,300		1,250		1,250
Taxpayer dependent of another		(3)		(2)		(2)		(1)
<b>PERSONAL EXEMPTION (4)</b>		\$3,500		\$3,400		\$3,300		\$3,200
<b>FICA &amp; SELF-EMPLOYMENT TAX</b>								
Taxable wages for social security/Medicare		Up to \$102,000 / All		Up to \$97,500 / All		Up to \$94,200 / All		Up to \$90,000 / All
Maximum social security/Medicare tax		\$6,324 / No limit		\$6,045 / No limit		\$5,840 / No limit		\$5,580 / No limit
Social security/Medicare tax rate (employers and employees)		6.20% / 1.45%		6.20% / 1.45%		6.20% / 1.45%		6.20% / 1.45%
Social security/Medicare tax rate (self-employed)		12.4% / 2.9%		12.4% / 2.9%		12.4% / 2.9%		12.4% / 2.9%
<b>SOCIAL SECURITY EARNINGS LIMIT</b>								
Under age 65		\$13,560		\$12,960		\$12,480		\$12,000
Age 65 and over		No limit		No limit		No limit		No limit
<b>IRA CONTRIBUTION LIMIT</b>								
50 & over catch-up		\$5,000		\$4,000		\$4,000		\$4,000
		1,000		1,000		1,000		500
<b>SIMPLE DEFERRAL LIMIT</b>								
50 & over catch-up		\$10,500		\$10,500		\$10,000		\$10,000
		2,500		2,500		2,500		2,000
<b>401(K) DEFERRAL LIMIT</b>								
50 & over catch-up		\$15,500		\$15,500		\$15,000		\$14,000
		5,000		5,000		5,000		4,000
<b>HSA CONTRIBUTION LIMIT</b>								
Self only/Family		\$2,900/\$5,800		\$2,850/\$5,650		\$2,700/\$5,450		\$2,650/\$5,250
Additional for 55 & older		\$900		\$800		\$700		\$600

(1) Greater of \$800, or \$250 plus earned income, not to exceed regular standard deduction.

(2) Greater of \$850, or \$300 plus earned income, not to exceed regular standard deduction.

(3) Greater of \$900, or \$300 plus earned income, not to exceed regular standard deduction.

(4) Zero for individual who is dependent of another taxpayer.

## Post Closing Cash Flow

Net Income	\$1,000
Old Rent	\$1,750
Monthly Tax Savings	\$510
<b>Total Credits</b>	<b>+ \$3,260</b>
New Monthly Payment	- \$2,211.70
<b>Post Positive Cash Flow</b>	<b>+ \$1,048.3</b>

Notes: