

Loan Cost Analysis Sample - Ask for Yours Free Today!

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1st Mortgage

	Loan #1		Loan #2 with No Costs
Program Type	30yr Fixed		30yr Fixed
Loan Amount	\$ 408,000.00		\$ 400,000.00
Rate	3.875%		4.375%
Term(months)	360		360
Principal/Interest Payment	\$1,918.57		\$1,997.14
Costs	\$ 8,000.00		\$0.00

plus reserves for taxes and insurance

Would you pay \$8,000 to save \$78.57 a month?

As you can see above, there is a difference of \$78.57 between the payments of the two programs

In addition to the \$8,000.00 you will pay initially to save that \$78.57, what I am going to show you next is what is called the breakeven point between the two loans. The breakeven point is when you will finally recover all your costs for taking the loan at the lower percentage rate paying ALL OF THOSE CLOSING cost

Combined Payment Loan #1	\$1,918.57
Combined Payment Loan #2	\$1,997.14
Payment difference	\$ 78.57

Costs for Loan #1	\$ 8,000.00
Costs for Loan #2	\$0.00
Cost Difference	\$ 8,000.00

Time to Recover Costs:

Take Loan #1 Costs of \$8,000.00 and divide it by the Payment difference of \$78.57

\$8,000.00 / \$78.57 = 102 Months or 8.48 Years
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That is 102 months just trying to pay off your costs. What that tells me is that you are willing to make a \$8,000.00 bet that interest rates are not going to come down over the next 102 months. Additionally, you are adding this \$8,000.00 to the loan amount upfront since the new loan balance will be \$408,000.00 instead of \$400,000.00 with a ZERO COST loan

Which one makes more sense?

Please be aware, lower rates are always available by paying points, fees/closing costs, which we do offer! The question is, does it make sense to pay those closing costs & get those lower rates? Now you know the break-even point, so you decide. We offer both loan options!

Yes, we have the same rates as the signs on the sides of the freeways, but please understand that it is going to cost you, to get those rates with anyone you go to.

With our program, if the rate drops, we can refinance you again at no cost - just like all of our borrower's did last year right after Hurricane Katrina. In the last 120 days, rates have dropped almost 3/4%. Rates dropped a .25% the day right after the Hurricane because almost everyone in New Orleans & the Gulf Coast lost their jobs. And due to those job losses, rates dropped considerably in one day. So guess what we did right after we closed their loans? That's right! We refinanced them again to the lower rate & it didn't cost them a penny. Now, we are not saying there is going to be another Hurricane, Terrorist attack, or we see the Economy slowing even more, but if one of those things does happen for some reason, guess what? We have a great program for you because, with us, we can refi you again & give you the lower rate at absolutely zero cost. As a company, we get paid the same amount to refinance you 1,2,3, or 4 times. So, our hope is that rates drop & we can refinance you again. Our average customer has refinanced 4x since May 2002 - because the rates kept coming down.

We are not market forecasters or anything like that, nor do we predict the future - we just hope the rates drop so we can refinance you again at no cost to the lower rate!

We are only one of a handful of Co.'s that advertises this on TV & Radio in California. Our concept is volume.

I can be reached at the number below & thanks for inquiring with Solomon Financial Mortgage. Rates change daily so please call us on the same day you call others.

We also stand behind our match & beat policy!