

FHA INFORMED CONSUMER CHOICE DISCLOSURE NOTICE

The following information applies to case numbers assigned on or after June 3, 2013

In addition to an FHA-insured mortgage, you may also qualify for other mortgage products offered by your lender. To assure that you are aware of possible choices of financing, your lender has prepared a comparison of the typical costs of alternative conventional mortgage product(s) below, using representative loan amounts and costs (the actual loan amounts and associated costs shown below will vary for your own mortgage transaction). You should study the comparison carefully, ask questions, and determine which product is best for you. The information provided below was prepared as of _____.

Neither your lender nor FHA warrants that you actually qualify for any mortgage loan offered by your lender. This notice is provided to identify the key difference between these mortgage products offered by your lender. This disclosure is not a contract and does not constitute loan approval. Actual mortgage approval can only be made following a full underwriting analysis by your mortgage lender.

		FHA Financing 203(b) Fixed Rate	Conventional Financing 97% with Mortgage Insurance
1	Sales Price	\$200,000	\$200,000
2	Mortgage Amount	\$193,000 (\$196,377 with the Up-Front Mortgage Insurance Premium)	\$194,000
3	Closing Costs	\$2000	\$2000
4	Down Payment Needed	\$7000	\$6000
5	Interest Rate and Term in Years	6.00% for 30 years	6.00% for 30 years
6	Monthly payment (Principal & Interest Only) First Year	\$1177.38	\$1163.13
7	Loan-to-Value%	96.50%	97%
8	Monthly Mortgage Insurance Premium ^{1&3}	\$247.46	\$147.12
9	Maximum Number of Years of Mortgage Insurance Payments	Refer to the FHA Mortgage Insurance Premium information below	Approximately 13 years
10	Upfront Mortgage Insurance Premium (If applicable) ^{2&3}	\$3377	N/A

1. Monthly mortgage insurance premiums are calculated on the average annual principal balance, i.e., as the amount you owe on the loan decreases each year, so does the amount of the monthly Premium
2. Based on upfront mortgage insurance premium rate of 1.75%.
3. Streamline refinances of FHA loans endorsed/insured by FHA prior to June 1, 2009 are subject to a reduced up-front mortgage insurance premium of .01% and a reduced annual mortgage insurance premium of .55% (\$44.22 monthly for a loan amount of \$96,500)

FHA Mortgage Insurance Premium Information

In addition to an upfront mortgage insurance premium (UFMIP), you will also be charged a monthly mortgage insurance premium. You will pay the monthly premium for either:

- The first eleven (11) years of the mortgage term, or the end of the mortgage term, whichever occurs first, if your mortgage had an original principal obligation (excluding financed UFMIP with a loan-to-value less than or equal to 90%; or
- The first 30 years of the mortgage term, or the end of the mortgage term, whichever occurs first, for any mortgage involving an Original principal obligation (excluding financed UFMIP) with an LTV greater than 90%

If the term of your mortgage payment is 15 years or less and the loan to value ratio (LTV) is 90% or less, you will make Mortgage Insurance payments (MIP) for 11 years. If your mortgage payment term is 15 years or less and your LTV exceeds 90% you will make MIP payments for the term of the loan.

If the term of your loan is greater than 15 years and your loan to value ratio is 90% or less, you will make MIP payments for 11 years.

If the term of your loan is greater than 15 years and your loan to value ratio is greater than 90%, you will make MIP payments for the term of the loan.

Applicant _____

Date _____

Applicant _____

Date _____