

Teach Text TIL

& APR

Questions and Answers about "TRUTH-IN-LENDING"

One of the areas of concern to most home buyers and individuals refinancing their present mortgage is the questions of Truth-in-Lending.

When you apply for a home mortgage, federal law states that you must be given a "TIL" or Truth-in-Lending statement within 72 hours. The TIL is probably the MOST misunderstood statement by the home buyer.

To help you understand the function of this statement, the following are some of the more frequently asked questions concerning Truth-in-Lending Statement and APR. For additional information on this subject, contact your local RE Broker or Mortgage company.

1) What is a Truth-In-Lending Disclosure?

Federal law requires the mortgage company to provide a TIL for comparison information when shopping for a mortgage. It also gives the buyer specific information on his/her mortgage.

2) What is the difference in Interest Rate and Annual Percentage Rate?

The Annual Percentage Rate or A.P.R., is the actual cost of your credit as expressed in terms of Annual Rate. Discount Points are a common cost today along with other closing costs such as Loan Origination or Loan Fees, and other fees; the A.P.R. is usually higher than the interest rate your loan is based on. The A.P.R. should not be confused with the Note Rate/Interest Rate. A.P.R. is merely a tool for you to compare one lending institution with another in terms of actual costs. A.P.R. gives an equal comparison of rate and fees charged by competing institutions.

3) What is the Amount Financed?

This is the amount of mortgage you applied for MINUS the pre-paid financed charges along with any required deposit balance. Pre-paid items include such costs as loan or origination fees, discount points, adjusted interest and other fees like the initial PMI. Amount Financed represents a NET figure allowing you to assess the amount of credit actually provided. The NET figure.

4) Will I get less of a mortgage because of this NET figure?

No. The amount you apply for is the amount you will get, assuming your loan is approved.

5) Why is the Amount Financed and the A.P.R. different on the TIL?

The amount financed is less than the amount applied for because it is a NET figure. If someone applied for \$100,000 and their pre-paid finance charges are \$3,000, the amount financed would show as \$97,000, or \$100,000 minus \$3,000.

The A.P.R. is computed on the lesser amount, based on the proposed payments. With a \$100,000 loan and \$3,000 in pre-paid finance charges and an interest rate of 7.000%, the payment would be \$665.30 P&I (principal and interest) with a 360 month term. The A.P.R. being based on the NET amount financed and not the actual mortgage amount, and being payment amount stays the same, the A.P.R. is higher than that of the interest rate. In this case the A.P.R. is 7.304%. If this loan scenario was approved the loan would still be \$100,000 for 360 months at 7.000% annual interest rate with a payment of \$665.30.

6) What is the Financed Charge?

Financed Charge is the cost of credit. It represents the total amount of interest calculated at the interest rate over the total term of the loan; pre-paid finance charges and the total amount of the PMI (Private Mortgage Insurance) over the life of the mortgage.

7) What is the Total Payments?

This is the total amount you will pay over the life of the mortgage, including, P&I, Pre-Paid and PMI, assuming you make the minimum required payments for the life of the mortgage. If the mortgage was an ARM (Adjustable Rate Mortgage), the estimated amount it reflects may differ, given the varied adjustment amounts.

8) If I pay off my loan early will I be entitled to a refund on part of the finance charges?

No. Your Pre-Paid finance charges are not refundable, nor is any part of the interest you've paid, refundable. Mortgage loans estimate the total charges and as such the amount represents the estimated minimum required if the payments were made each month for the life of the mortgage.

9) What does signing the Disclosure mean and am I bound to the loan if I do?

Signing the Disclosure is for lenders proof that the lender sent you the Disclosure. It does not obligate you in any way to that loan.

Dear Shareware user:

This is a sample version of a TIL & APR product. Please use it as you like.

I have over 25 years mortgage lending experience and have developed many computer mortgage tools for use in my business.

I had great demand from real estate brokers and clients to quickly and easily pre qualify

clients and show them multiple scenarios of maximum loan packages. I have developed many mortgage related programs that combined PreQual and Maximum loan programs with settlement costs involved with obtaining a mortgage loan. In addition to these programs, I have developed several mortgage amortization calculators including full tables to quickly figure bi-weekly, add-in principal payments and a straight fixed amortization calculator and table.

With the additional amortization calculators, it is very easy to calculate payment tables, interest savings, time in term savings etc. This means that you can turn your mortgage into a bi-weekly, GEM or any number of other money saving mortgages on your own without the costly expense of refinancing through your mortgage holder. All you need to have is a mortgage that allows pre-payment of principal with out penalty and these programs with a desire to save money. Example-with a bi-weekly mortgage you can save up to 1/3rd of the total interest and term on most mortgages.

I have also put together a teach text on how to save big on your present or intended home mortgage, giving many tips to save money on your mortgage starting the day you get your programs. These are a definite MUST for any home owner or prospective home owner.

I have used all of my programs at Open House Showings for my real estate brokers. The results were fantastic and proved to be a great sales tool for the brokers while at the same time offering a service to prospective clients. The programs let the client take home a custom ordered print out of the house they were looking at plus gave a four way estimated cost and qualification scenario which included an APR factor for them to shop other mortgage brokers.. not to mention showing them how to save thousands of dollars on their new mortgage by taking advantage of a few simple step at closing. Example of just one of the money savings tips... One of the biggest money savers for a new mortgage holder is probably one of the simplest to use. If you are buying a home or refinancing your present mortgage and have savings to put down more than 20%. Lets say you are buying a \$100,000. house. You have \$30,000. over and above your normal closing costs to use for down payment. You determine to use the full \$30,000. for your down payment because you think you'll save money with a mortgage of \$70,000. rather than a \$80,000. only using 20% down..... Your thinking is WRONG. Put 20% = \$20,000. down, financing \$80,000. This is a normal conventional loan. At CLOSING, give the closer a check for the other \$10,000....AFTER YOUR LOAN HAS CLOSED. You will have just pre-paid your mortgage by \$10,000. and there by cutting an incredible amount of interest and years off your loan. Just look at the savings you've put in your pocket and not the banks.

Scenario 1

Sales Price: \$100,000.

Down payment: \$30,000. Loan Amount: \$70,000. Term: 30 Yrs. Interest Rate: 7.625%

Payment: \$495.46 P&I Total Interest you will pay: \$108,359.73

Scenario 2

Sales Price: \$100,000.

Down payment: \$20,000. Loan Amount: \$80,000. Term: 30 Yrs./360 Mths. (see term below)

Interest Rate: 7.625% Payment: \$566.23 P&I Total Interest you will pay: \$67,927.20

Summary:

Your payment will be slightly higher by: \$70.77.

Your term will be reduced to: 20.33 Yrs. or 244 Mths, a savings of 116 months.

Your interest saving is a whopping big: \$40,432.53

It becomes very clear that just using a bit of knowledge will save you thousands of dollars and many months off your original loan. This is just one tip, there are many more and you can use any number of them to save big on your mortgage.

I will make those additional programs available to you (fully documentation) plus Teach Text on what you need to apply for a mortgage; Questions and Answers about "Truth-In-Lending" , APR, and a Mortgage Overview. Programs include amortization calculators and auto look up tables you can easily adjust and customize for your particular state and location. All I ask in return is that you send the shareware fee of \$20.00 to:

**M. BEEDE
PO BOX 1163
OREGON CITY, OR 97045**

If you're shopping for a new home loan; a refinance of your present mortgage or just interested in seeing if you qualify under standard industry guidelines and you're concerned about your finances in todays mortgage market, these additional programs are a definite must for you to have. Put them to work for you and have the benefits of first hand mortgage savvy.

Send \$20.00 and you will be sent all of the above mentioned programs with all the helpful Teach Text on the Loan Application process, Truth-In-Lending (TIL & APR) Overview, amortization calculators, plus tips, mortgage amortization calculator, etc.

I Need to know if you have a MAC or PC and what disk size 3 1/2" or 5 1/4".

Mar 5, 2025

YOUR ADDRESS AND INFORMATION HERE:

Name

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City, State Zip

MAC/PC 3 1/2"/5 1/4" disk