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▦ **W E L C O M E ! !**
PLEASE READ ALL OF THE FOLLOWING...THANK YOU

Thanks for choosing to explore the features and opportunities in
MortgagePlus.   As a Mortgage or Real Estate Professional, you understand
the dwindling margins in this competitive market.   Please evaluate
MortgagePlus as an opportunity to reach exactly the consumer you're after.
For more information please read the Listings topic in this Help application.
(Click here to read more about "Listings"). **Note: Advertising deadline is
July 31st, 1993.   Listings will be accepted after July 31st, however,
they may miss initial shipments of MortgagePlus.**

Although **MortgagePlus** was written for the consumer, you may find it has
enough features to be used as a tool in your business.   The program
provided is a demonstration version for which not all features are available.
Specifically:

▪A fixed purchase amount is coded into the New Mortgage analysis, Pre-
Qualification analysis and Refinance analysis windows.
▪Printing and saving is disabled.
▪The Mortgage Tips help section is not complete.
▪The demonstration version is not fully beta tested.

BitBrain Software welcomes comments on how this product may be improved
for the consumer as well as what features would help the Mortgage or Real
Estate professional.   Some suggestions already given are:

▪The preparation of "Open House Sheets" where several mortgage programs
are demonstrated for the same real estate purchase and the differences
outlined.

▪The ability to set preferences for items such as the initial interest rate,
points, and down payment displayed when selecting an option such as New
Mortgage Analysis.

▪The ability to open multiple New Mortgage Windows.

▪Graphing of normal vs. accelerated mortgage payments.

▪Step, Balloon, and Buydown mortgage type calculations.

▪Expansion of the detail on the Closing Cost Window.

Please write, fax, or call:

BitBrain Software
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Allentown, PA 18105-355
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Availability:
The full version of **MortgagePlus** is expected to be available by the end of July 1993.   Orders can be placed at any time. <u>Click here to read more about Ordering</u>

Hardware Requirements:
Any Personal Computer with Microsoft Windows(TM) 3.x (3.1 or higher is recommended) and at least 1.5 MB of   disk space available.

Accuracy Of Calculations

The results of this program have been verified correct under many different test conditions. BitBrain Software believes the calculations performed in this program to be accurate, however, BitBrain Software neither warrants nor guarantees the accuracy of these calculations.

The calculations performed are done using accepted formulas for direct reduction loans and/or amortization tables. Results between various software programs and financial tables may differ slightly due to any rounding that may be done or the precision of the numbers used in the calculations.

🖼 Getting Started   **Welcome to MortgagePlus!**

If you're in the market for a **new mortgage**, then start with:

🖼 to run through either a Fixed or Adjustable Rate Mortgage analysis detailing the term, interest rate, points, closing cost estimates and full loan statistics on screen and/or sent to your printer.

If you're considering **refinancing** your existing mortgage, then start with:

🖼 to step you through an analysis to determine if refinancing makes sense for you.

If you'd like to estimate **how much house you can afford**, then start with:

🖼 where you can detail your income and obligations to determine income to debt ratios for various purchase prices and mortgage payments.

Or, simply browse through the <u>Detailed Help Topics</u> on using MortgagePlus.

Also, don't forget to check out the <u>Mortgage Tips</u> section!

Using MortgagePlus

Click on icon or subject heading to go to help topic:

New Mortgage Window

Select the New Mortgage Window icon: to display the "Mortgage Type" dialog box.. Choose "Fixed" or "ARM" in the dialog box and click on the "OK" button.

Purchase Amount
Enter the purchase price of the real estate property without a "$" sign or commas, e.g.: 100000.   When you leave the field by tabbing out or hitting enter, the number will be formatted as $100,000.00.

Down Payment
(The down payment control only becomes active after entering a valid amount in the purchase amount field).
Adjust the down payment amount by one of the following methods:

adjust the down payment percentage by clicking on the "spinner" next to the down payment box (the corresponding $ amount is shown directly to the right of the down payment percentage).

highlight all the text in the down payment box by double clicking in the box and enter any down payment % from 0 to 99.99.

highlight all the text in the down payment box by double clicking in the box and enter a $ amount from 100 up to the amount in the purchase amount field.   Enter the number without the "$" sign or commas.   After tabbing out of the field or hitting enter, the dollar amount will move to the area to the right of the down payment box and the down payment box will display the associated %.

Tax Bracket
Click on the down arrow on the right of the tax bracket box to pull down a list of available tax brackets and select the closest bracket for you by clicking on it.   Optionally, you may enter any tax bracket into this field.   The number must be entered as a a fraction, e.g., 31% would be entered as .31.   (This field is used to calculate the after tax cost of your loan after taking into account the tax benefits of writing off mortgage interest.   The calculation assumes you are eligible to write off 100% of your mortgage interest.   Please check with your tax advisor.)

FHA/Conventional Option
The conventional option is the default.   This option allows any amount of down payment to be applied to the purchase and automatically estimates any required private mortgage insurance premium (PMI).

Choosing FHA automatically calculates a down payment for the purchase amount based on current regulations (1993 and 1994).   This down payment cannot be changed.   The down payment is calculated as 3% of the first $25,000, 5% of the next $100,000, and 10% of anything above $125,000.   FHA loans have a maximum purchase price which varies by area of the country.   MortgagePlus does not restrict the Purchase Amount, please check with lenders in your area for the current maximums.

Also when choosing FHA, the mortgage insurance premium (MIP) is calculated as 3% of the Mortgage Amount.   The user is prompted as to whether to roll the MIP into the Mortgage Amount or show it as an out of pocket closing cost.   If after choosing one of the two options

it is desired to switch to the other option, this can be handled as follows:

1) Select the Conventional Option
2) Select the FHA Option and choose the desired option when prompted.

Monthly/Bi-weekly Option
Selecting one of these options determines how the loan will be paid and the amortization schedule calculated.   If the loan is bi-weekly, payments are one-half of monthly payments but made every two weeks effectively making one extra monthly payment each year.

Day Basis: 365, 364, or 360
Applies only to a bi-weekly loan and is only visible when bi-weekly is chosen.   This is the number of days in a year used by the lender in calculating the daily interest rate of the loan. Most lenders use the 365 day method which is the default.   The day basis chosen does not affect the payment amount but slightly affects the effective term of the loan and total interest charges.

Term
Adjust the term, or length, of the loan by adjusting the "spinner" control.   Only full years can be specified for the term.

Interest
Adjust the interest rate of the loan by either:

 adjusting the spinner control to move the interest rate in increments of 1/8% (.125%).

 highlight all text by double clicking in the interest rate field and entering the exact interest rate without the "%" sign.   For example, enter 7.39 for a 7.39% interest rate.   After tabbing out of the field or hitting enter, the number will format to 7.390%.

Points
Adjust the points of the loan by either:

 adjusting the spinner control to move the points in increments of 1/8% (.125%).

 highlight all text by double clicking in the points field and entering the exact points without the "%" sign.   For example, enter 2.25 for 2.25% points.   After tabbing out of the field or hitting enter, the number will format to 2.250%.

Other Costs
Other costs represents closing costs and is initially estimated as 3% of the mortgage amount.   Adjust this field by either:

adjusting the spinner control to move the costs in increments of 1/8% (.125%).

highlight all text by double clicking in the points field and entering the exact costs without the "%" sign.   For example, enter 2.3 for 2.30% other costs.   After tabbing out of the field or hitting enter, the number will format to 2.300%.

Select the "Closing Costs Detail..." button, adjust the amounts on the closing Costs

Detail window and select the "Link..." button to link the estimated closing costs back to the New Mortgage window.   The percentage in the Other Costs box will automatically adjust to match the dollar amount.

Closing Cost Detail...
Clicking on this button brings up the "Closing Costs Detail" window.

ARM Adjustment Detail...
(This button only appears on the New Mortgage window if ARM was selected as the type of mortgage).
Clicking on this button brings up the "ARM Adjustment" window.

Loan Start Date
Select the down arrow to the right of the month and year boxes to select the estimated starting month and year of the loan.   (The date is initially set by reading the current date off the computer's internal clock.)

Tax Estimate
This field represents the annual real estate taxes of the property to be mortgaged (e.g. City, County, School, etc.).   It is initially estimated as 1.5% of the Purchase Amount as a starting point.   It can be adjusted by either:

 adjusting the spinner control to move the costs in increments of $10.

 highlight all the text in the tax estimate box by double clicking in the box and enter a $ amount.   Enter the number without the "$" sign or commas.   After tabbing out of the field or hitting enter, the field will automatically be formatted with a "$" sign and commas.

Note that if Closing Cost Detail is selected and the reserve amounts are adjusted on that window, the values for City, County, School, and Other taxes will be added together and displayed as the annual Tax Estimate on the New Mortgage Window.

Insurance Estimate
This field represents the annual homeowner's insurance of the property to be mortgaged. As a starting point, it is initially estimated as $200 for a purchase amount less than $100,000, $240 for a purchase amount <= $100,000 but less than $150,000, and $300 for purchase amounts > $150,000.   It can be adjusted by either:

 adjusting the spinner control to move the costs in increments of $10.

 highlight all the text in the insurance estimate box by double clicking in the box and enter a $ amount.   Enter the number without the "$" sign or commas.   After tabbing out of the field or hitting enter, the field will automatically be formatted with a "$" sign and commas.

Note that if Closing Cost Detail is selected and the monthly Hazard reserve amount is adjusted on that window, this value will be displayed as the annual Insurance Estimate in the New Mortgage Window.

PMI Estimate
This field is the estimate for private mortgage insurance.   (It is only active if the down payment is < 20%).   The monthly PMI is estimated at current (1993) rates.   It is recalculated at fixed rates whenever the down payment is changed, whenever the Calc

Payments button is clicked, or whenever the Show Amortization button is clicked. The PMI estimate will not change if the **override** box is checked. This option will allow you to specifically enter a value that differs from the internal calculations performed by MortgagePlus.

Loan Calculations

Payment - the monthly (or bi-weekly if that option is chosen) principal and interest payment.

Escrow - the estimated escrow amount based upon the tax and insurance estimate.

Total - the total of the Payment and Escrow amounts (commonly referred to as PITI:Principal,Interest,Taxes,&Insurance).

w/PMI (or MIP) - The Total payment plus the estimated private mortgage insurance escrow.

Mortgage Amount - Purchase amount minus the down payment. For an FHA loan, 3% is added to the Mortgage Amount to cover the FHA Mortgage Insurance Premium if the user chooses that option.

Total Payments - the total of payments over the life of the loan if all obligated payments are made and no extra payments are made.

Total Int Payments - the total of the interest charges paid over the life of the loan if all obligated payments are made and no extra payments are made.

Total After Tax Cost - this is calculated as the Total Payments minus any tax benefits achieved by deducting the mortgage interest at the selected tax bracket. It assumes that all mortgage interest is eligible for deduction, consult your tax advisor for more details.

Total Upfront Costs - this is the down payment plus the points plus the Other costs. For FHA loans, it includes the 3% Mortgage Insurance Premium if the user chooses the option to show it paid "out of pocket" as opposed to rolling it into the mortgage amount.

Effective Loan Term - if this is a bi-weekly mortgage, this field displays the effective loan term if all payments are made bi-weekly as required and no extra payments are made. A bi-weekly mortgage actually pays off earlier than a monthly payment fixed mortgage because of the extra principal applied during the year.

Extra Principal

Enter the extra principal to be applied to each payment without a "$" sign or commas, e.g.: 25. When you leave the field by tabbing out or hitting enter, the number will be formatted as $25.

Note: This extra principal will be applied to each payment (monthly for monthly payment loans and biweekly for biweekly payment loans).

Interest Saved

If extra principal is applied to each payment over the life of the loan, this field displays the amount of interest saved over not making any additional principal payments.

Effective Loan Term

If extra principal is applied to each payment over the life of the loan, this field displays the effective loan term.

Calc Payments Button

Clicking on this button calculates the fields described under "Loan Calculations" above using the current Purchase Amount, Down Payment, Term, Interest, Points, and Other costs.

Show Amortization Button

Clicking on this button displays the Amortization Table for the current loan.

Print Button

Clicking on this button displays a dialog box for Printing the information on the New

Mortgage Window with options of printing the amortization table as well.

Cancel Button
This button will close the current New Mortgage Window.   If information has changed in the window, the user will be prompted with a <u>Save</u> dialog box.

Using The New Mortgage Window To Calculate A Step Loan

A step loan is one that adjusts its interest rate during the mortgage term.   This usually occurs once and will typically be at the 5th or 7th year.

Use the following steps to calculate a step loan:

1. Fill in all the information for the loan using the New **Fixed** Mortgage Window.   Enter the full term of the loan (e.g. if the loan is a 5/25, then use 30 years).
2. Record the required Principal and Interest payment.
3. Display the Amortization Table and make a note of the Remaining Principal after the 1st step term of the loan (e.g. if the loan is a 5/25, look for the Remaining Principal after 5 years of payments).
4. Close the New **Fixed** Mortgage Window (no need to save).
5. Open the New **Fixed** Mortgage Window and fill in all the information for the 2nd step of loan.   Use the Remaining Principal obtained in Step 3 as the Purchase Amount and adjust the Down Payment to *zero*.   Then change the term to reflect the remaining term of the loan (e.g. if the loan is a 5/25 step, then use 25 years as the term).   Also, adjust the interest rate to your best estimate of what it may be at that point (or to what is will be if that is defined). Points and Other Costs can be ignored.
6. Record the required Principal and Interest payment.

--OR--

1. Fill in all the information for the loan using the New **ARM** Mortgage Window.   Enter the full term of the loan (e.g. if the loan is a 5/25, then use 30 years).
2. Display the ARM Adjustment Detail Window and adjust the parameters of the interest rate changes.   For example, if the loan is a 5/25, then set the initial adjustment period to 5 years(the values for Additional Adjustment Period, Annual Cap, and Life Cap do not affect this calculation).   Then set Adjustment #1 to whatever change you believe will represent what the interest rate will be in the 6th thru 30th year of the loan (remember that only the *difference* between the initial rate and the new rate should be entered here).   Set Adjustment #2 thru Adjustment #10 to *zero*.   Click the OK button to return to the New ARM Mortgage Window.
3. Proceed as normal by clicking the Calc Payments and/or Show Amortization buttons.

Using The New Mortgage Window To Calculate A Balloon Loan

A balloon loan is one that looks like a regular fixed rate mortgage with the exception that the principal balance is due in full at a specified time during the term of the loan (typically in the 3rd, 5th, or 7th year).

Use the following steps to calculate a balloon loan:

1. Fill in all the information for the loan using the New **Fixed** Mortgage Window.   Enter the full term of the loan (e.g. most balloon loans are amortized over a 30 year term).
2. Display the Amortization Table and make a note of the Remaining Principal at the end of the balloon period (e.g. after the 5th year for a 5 year balloon).   This is the amount due at that time.

Using The New Mortgage Window To Calculate A Home Equity Loan

Use the following steps to calculate a home equity loan:

1.Fill in all the information for the loan using the New Fixed Mortgage Window.   Typically, you set the down payment to *zero*.
2.Adjust the Points, Other Costs, Tax & Insurance Estimates as appropriate. (Many times these values are not applicable and can be set to zero).
3.Proceed as normal by clicking the Calc Payments and/or Show Amortization buttons.

Using The New Mortgage Window To Calculate A Car Loan

Use the following steps to calculate a car loan (or any other fixed payment, self amortizing loan such as a *student* loan):

1. Fill in all the information for the loan using the New **Fixed** Mortgage Window.   Typically, you set the down payment to *zero*.
2. Set Points, Other Costs, Tax & Insurance Estimates to zero.   Check the PMI override box and set the PMI to *zero*.
3. Proceed as normal by clicking the Calc Payments and/or Show Amortization buttons.

Note: The After Tax cost calculation is generally not applicable to a car loan.

ARM Adjustment Detail

The ARM Adjustment Detail form is opened by clicking on the **ARM Adjustment Detail...** button on the New Mortgage Window for adjustable rate mortgages.

This form allows the user to define the type of adjustable loan and to discretely project interest rate adjustments over 10 intervals.   When initially opened, this form defaults to a 1/1 adjustable with annual caps of 2% and a life cap of 6%.

All of the fields on the form (described below) can be adjusted by either:

   Clicking the stepper arrows to move in discrete steps or

   Editing the field directly and entering a number.

ARM Type
Initial Adjustment Period
This field contains the initial adjustment period for the loan.   It represents the period of time the initial interest rate is in effect.   Valid values are .5 years, 1 year, 2 year, 3 years, etc..

Additional Adjustment Period
This field represents the period of time in between subsequent adjustments of the interest rate of the loan.   Valid values are 1 year, 2 years, 3 years, etc..

Caps
Annual
This field represents the maximum change that can occur, plus or minus, in the interest rate from one adjustment to the next.

Life
This field represents the maximum change that can occur, plus or minus, in the interest rate from the initial interest rate of the loan.

Adjustments
1...10
These 10 fields represent how the interest rate will change from one adjustment to the next.

Cumulative
Upon changes to any of the above fields, Cumulative reflects the overall effect of all the changes.   If the sum of the individual adjustments exceeds the life cap value, then the Cumulative value will be displayed in red (color screens only, monochromes will reflect a small change in gray scale).

OK Button
Clicking this button first checks for adjustments exceeding the parameters of the ARM.   If everything is O.K., then the interest rate adjustment information is recorded, the ARM Adjustment Detail window is minimized, and the New Mortgage Window - ARM is displayed as the active window.

Help Button
Select this button to display the help screen for ARM Adjustment Detail.

Closing Cost Estimate

The Closing Cost Estimate Window is displayed when choosing the **Closing Cost Detail...** button on the New Mortgage Window.   It's purpose is to more specifically define what the closing costs are for a mortgage.

All of the fields on the form (described below) can be adjusted by either:

Clicking the stepper arrows to move in discrete steps or

Editing the field directly and entering a number.

Fees
Enter the various fees charged by a lender into the provided categories.   Use **Other** to capture any fees that do not fit into one of the categories.   The **Application** fee defaults to $250 automatically as a starting point.

Other
Use these categories to enter other specific charges required by your lender.

Title Insurance is a calculated estimate based on the mortgage amount.

Legal defaults to $200.

Recording defaults to $54.

PMI(or MIP if FHA) Premium is a calculated estimate based on the mortgage amount (if the down payment is less than 20%).

1st Year Insurance premium is taken from the Insurance Estimate on the New Mortgage Window.

Use **Misc** to capture anything else that is a one time charge at closing.

Reserves
Reserves apply in the situations where the taxes and insurance are required to be paid directly by the lender.

The number of months of reserves collected is based on when the tax and insurance bills are due.   This number defaults to the worst case of 12 months.   This can be adjusted by the user.

The amount of each month's reserve is calculated by dividing the Insurance and Tax Estimates from the New Mortgage Window by 12.   Further, the Tax Estimate is broken down into **City**, **School**, and **County** by the following ratios:

    City - 20%
    School - 60%
    County - 20%

These are merely initial estimates and can be further adjusted by the user.

The **PMI/MIP** estimate is calculated based on the mortgage amount (if the down payment is less than 20%).

Other can be used to capture any other required reserves.

Interest
At closing, interim interest is required to cover the period of time from closing of the loan to the end of the current calendar month.   The number of days defaults to 30 and can be adjusted by the user.   The interest rate is carried over from the rate on the New Mortgage Window.

Total
This field reflects the total closing costs required based on the information on the Closing Cost Detail Window.   It is automatically updated as fields on this window are changed.

Help Button
Select this button to display the help screen for the Closing Cost Details.

Link To New Mortgage Window Button
Clicking this button transfers the total closing costs back to the New Mortgage Window.   The dollar amount will be displayed next to the Other Costs box while the percentage of the mortgage amount is calculated and displayed in the Other Costs box.   The Closing Cost Detail Window is then minimized and the New Mortgage Window is displayed as the active window.

Because the Other Costs percentage is used in calculations, the actual dollar amount to the right of the Other Costs box may differ slightly from the number on the Closing Cost Detail window due to rounding.

Cancel Button
The user is prompted with "Are you sure?".   If "yes" is chosen, the Closing Cost Detail Window is closed and no information is linked to the New Mortgage Window.

Amortization Table

The amortization table is displayed after clicking the Show Amortization button on either the Fixed or ARM New Mortgage Window.

Display
This option appears in the menu bar of MortgagePlus whenever the amortization table is the active window.   Clicking on this allows the user to choose either Year End or Periodic entries in the table.   When the table is initially displayed, year end values are shown.

(Performance Note: Depending on the speed of your computer's video driver, selecting the Periodic display option may take 10 - 15 seconds to complete.)

The following describes each entry:

Loan Starts *Month Year*
Top row reflects the starting date of the loan.   Subsequent rows display subsequent years.

Annual Interest Rate
Annual interest rate reflecting changes if an adjustable rate mortgage.

Periodic Payment
The monthly or bi-weekly principal and interest payment required.

Principal Remaining
This is the amount of principal remaining to be paid on the loan.

Principal Paid Last Year/This Period
If the display is Year End, then this represents the amount of principal paid over the last 12 months.   If the display is Every Period, then this represents the principal that will be covered by this payment.

Interest Paid Last Year/This period
If the display is Year End, then this represents the amount of interest paid over the last 12 months.   If the display is Every Period, then this represents the interest that will be covered by this payment.

Interest Paid To Date
A running total of all interest paid to date if the Periodic Payment is made as required.

Extra Principal
Reflects the additional principal payment that was entered on the New Mortgage Window.

Periodic Payment
The monthly or bi-weekly principal and interest payment required *plus* the extra principal.

Remaining Principal
This is the amount of principal remaining to be paid on the loan if the Periodic Payments are made with the Extra Principal.

Principal Paid Last Year/This Period
If the display is Year End, then this represents the amount of principal paid over the

last 12 months if the Periodic Payment is made as required with the Extra Principal.
If the display is Every Period, then this represents the principal that will be covered by
this payment with the Extra Principal.

Interest Paid Last Year/This Period
If the display is Year End, then this represents the amount of interest paid over the
last 12 months if the Periodic Payment is made as required with the Extra Principal.
If the display is Every Period, then this represents the interest that will be covered by
this payment with the Extra Principal.

Interest Paid To Date
A running total of all interest paid to date if the Periodic Payment is made as required
with the Extra Principal.

Help Button
Select this button to display the help screen for the Amortization Table.

Pre-Qualification

The Pre-Qualification module helps a prospective home buyer determine their income to mortgage and income to total debt ratios.   These ratios are used by lending institutions for qualifying buyers for a mortgage.

All of the fields on the form (described below) can be adjusted by either:

Clicking the stepper arrows to move in discrete steps or

Editing the field directly and entering a number.

Income
Choose Week, 2 Weeks, Month, or Year to indicate what basis you are representing your income on.   All entries in the Income section must be listed on the same basis.

> You may represent your income by using the following categories
> **Salary** - gross salary
> **Rental** - rental income
> **Other** - anything else such as interest, dividends, Social Security, pensions, alimony/child support, etc.

As you adjust the above categories, the Total field will reflect your income on an monthly basis.

Cash On Hand should be used to identify the cash available to you to cover the down payment and any closing costs of the loan.   This value is for information and is not part of any calculation.

Obligations
Obligations are long term debt items which you are required to pay.   Each item must be entered on a monthly basis.   The following categories are provided:

> **Car Loan(s)** - enter either your lease or loan payment.
> **Student Loan(s)** - enter the monthly total of all student loans.
> **Credit Card(s)** - if you have a balance on a credit card(s), enter the minimum required payment.
> **Other** - use this to capture items such as other mortgages, home equity loans, and alimony/child support.

As you adjust the above categories, the Total field will reflect your obligations on a monthly basis.

Property Information
Tax Estimate
This field represents the annual real estate taxes of the property to be mortgaged (e.g. City, County, School, etc.).   It is initially estimated as 1.5% of the Purchase Amount.   It can be adjusted by either:

adjusting the spinner control to move the costs in increments of $10.

 highlight all the text in the tax estimate box by double clicking in the box and enter a $ amount.   Enter the number without the "$" sign or commas.   After tabbing out of the field or hitting enter, the field will automatically be formatted with a "$" sign and commas.

Insurance Estimate
This field represents the annual homeowner's insurance of the property to be mortgaged.   It is initially estimated as $200 for a purchase amount less than $100,000, $240 for a purchase amount <= $100,000 but less than $150,000, and $300 for purchase amounts > $150,000. It can be adjusted by either:

 adjusting the spinner control to move the costs in increments of $10.

 highlight all the text in the insurance estimate box by double clicking in the box and enter a $ amount.   Enter the number without the "$" sign or commas.   After tabbing out of the field or hitting enter, the field will automatically be formatted with a "$" sign and commas.

Loan Information
Purchase Price
Enter the purchase price of the real estate without a "$" sign or commas, e.g.: 100000. When you leave the field by tabbing out or hitting enter, the number will be formatted as $100,000.00.

Down Payment
(The down payment control only becomes active after entering a valid amount in the purchase amount field).
Adjust the down payment amount by one of the following methods:

 adjust the down payment percentage by clicking on the "spinner" next to the down payment box (the corresponding $ amount is shown directly to the right of the down payment percentage).

 highlight all the text in the down payment box by double clicking in the box and enter any down payment % from 0 to 99.99.

 highlight all the text in the down payment box by double clicking in the box and enter a $ amount from 100 up to the amount in the purchase amount field.   Enter the number without the "$" sign or commas.   After tabbing out of the field or hitting enter, the dollar amount will move to the area to the right of the down payment box and the down payment box will display the associated %.

Mortgage Amount
This field is calculated as the Purchase Price *minus* the Down Payment.

Term
Adjust the term, or length, of the loan by adjusting the "spinner" control.

Interest
Adjust the interest rate of the loan by either:

adjusting the spinner control to move the interest rate in increments of 1/8% (.125%).

highlight all text by double clicking in the interest rate field and entering the exact interest rate without the "%" sign.   For example, enter 7.39 for a 7.39% interest rate.   After tabbing out of the field or hitting enter, the number will format to 7.39%.

Payment - P&I
This field is calculated using the Mortgage Amount, Term, and Interest values.

Escrow - T&I
This field is calculated by totaling the Tax Estimate and Insurance Estimate and dividing by 12.

PMI
This field represents the private mortgage insurance typically required for down payments less than 20%.   It automatically is calculated for a change in Purchase Amount or Down Payment.   It can be changed by editing the field directly or using the spinner to move in increments of $1.

Other
This field can be used to represent any other fees which may be part of the periodic mortgage obligation.   It can be changed by editing the field directly or using the spinner to move in increments of $1.

Total PITI
This field is the total of Payment - P&I and Escrow - T&I.

Calculated Ratios
Front Ratio
The front ratio reflects the ratio of required mortgage payment to total gross income.   This ratio changes automatically if any number used to calculate it changes.

Back Ratio
The back ratio reflects the ratio of required mortgage payment *plus* total obligations   to total gross income.   This ratio changes automatically if any number used to calculate it changes.

Print Button
Clicking on this button displays a dialog box for Printing the information on the New Mortgage Window with options of printing the amortization table as well.

Help Button
Select this button to display the help screen for Pre-Qualification.

Close Button
Select this button to the Pre-Qualification window.

Refinance Analysis

The Refinance Analysis currently supports only mortgages which are paid monthly (i.e. not bi-weekly).   Both Fixed and ARM mortgages are supported.

Step 1

This step determines the initial conditions of your existing mortgage.   The information required in this window can be obtained from the original paperwork of your mortgage (the Mortgage Note) or by calling the lender currently servicing the mortgage.

Loan Start Date
Select the Month and Year the loan was originated.   Typically, this is the month **prior** to making your first payment.

Fixed/ARM
Select the appropriate option.   Fixed for a fixed rate mortgage and ARM for an adjustable rate mortgage.

Original Principal
This is the original amount of your mortgage, be sure it includes any closing costs that were rolled into the mortgage (e.g. FHA insurance premiums).   This amount may be adjusted by either:

Clicking the stepper arrows to move in steps of $100 or

Editing the field directly and entering the current balance

Once a valid amount is entered, the monthly payment field is calculated.   This payment amount is another way of determining your original principal.   Adjusting it will back calculate the Original Principal based on the current settings of Term and Interest.

Original Term
Enter the term of the loan in years by either:

Clicking the stepper arrows to move in steps of 1 year or

Editing the field directly and entering the number of years

Original Interest
Enter the interest rate of the loan as specified on your Mortgage Note, do not use the APR (annual percentage rate).   If your current loan is an adjustable (ARM), enter the starting interest rate.   Because it is difficult to incorporate all the interest changes over the course of an ARM loan, Step 2 will allow you to enter the current balance of the loan.

Loan Start Date
Click on the down arrow button on the side of the month and year list boxes to pull down a list of choices.   Select the month and the year you made your first payment.

Monthly Payment
This field is calculated after a valid amount is entered into the Original Principal field. This field may be adjusted by editing the value or using the stepper buttons to

increment or decrement the amount by steps of $0.01.   As you change this amount, the Original Principal amount is back calculated based on the current Term and Interest settings.   Remember that this field only represents the principal and interest payment of your mortgage.   Be sure you do not inadvertently include any additional amounts such as: tax and insurance escrows, private mortgage insurance, additional principal payments, or late charges.

OK...Continue
When you're satisfied with the original conditions of your loan, click on this button to move to Step 2.

Cancel
Select this button if you wish to quit the refinance analysis.

Help
Select this button to display help screens for refinance analysis.

Step 2
This step calculates your current loan balance and remaining term.   The initial assumptions made in this calculation are:
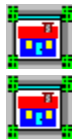
   All required payments have been made, and

   No additional principal payments have been made.

Current Date
The current month and year (as read from the computer system's settings) are displayed.   To change, click on the down arrow button on the side of the month and year list boxes to pull down a list of choices.   Select the current month and year.   An error is displayed if you select a date earlier than the Loan Start Date from Step 1.

Remaining Principal
Initially this field is calculated on the information given in Step 1 following the assumptions made above.   This calculation will be correct if you have made all required monthly payments on time and have not made any additional principal payments.   If this is not the current balance of your mortgage, change this entry by either:
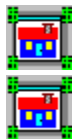
   Clicking the stepper arrows to move in steps of $100 or

   Editing the field directly and entering the current balance

Whenever this field is changed, the Remaining Term field is updated to reflect where in the amortization table the loan is.

Remaining Term
This field reflects how long the   mortgage has until maturity.   The Remaining Term is always based on making only the required payments from the Current Date to the end of the mortgage.   This field is calculated and cannot be changed.

Current Value

This field reflects the current appraised value of your home.   Initially, it is estimated at 120% of the Remaining Principal.   This value is used in Step 3 to determine the Loan To Value ratio.   Change this entry by either:

 Clicking the stepper arrows to move in steps of $100 or

 Editing the field directly and entering the current value

Only Applies To Adjustable Rate Mortgages:
Current Payment
Enter the current required payment for an adjustable rate mortgage by either:

 Clicking the stepper arrows to move in steps of $.01or

 Editing the field directly and entering the current value

Current Interest Rate
Enter the current interest rate on an adjustable rate mortgage by either:

 Clicking the stepper arrows to move in steps of .0125% or

 Editing the field directly and entering the current value

ARM Note: Changing either of the above two fields does not re-calculate the other but does re-calculate the Remaining Term.   It is important that the correct Remaining Principal, Current Payment, and Current Interest Rate be entered so that the correct Remaining Term is calculated.   The Remaining Term is used to calculate either the increase or decrease in interest payments for the refinance analysis.

OK...Continue
When you're satisfied with the original conditions of your loan, click on this button to move to Step 3.

Cancel
Select this button if you wish to quit the refinance analysis.

Help
Select this button to display the help screen for refinance analysis.

Step 3
This step is for determining what the savings could be by refinancing your current mortgage. It calculates the new payment required, estimates the costs of refinancing, and calculates how long it takes to recoup the costs of refinancing.

Refinance Amount
This field is a carryover of the Remaining Principal from Step 2.   It cannot be changed.

Cash Out

Adjust this field to represent any equity you are taking out of the mortgaged property as cash.   This field can be adjusted by:

Clicking the stepper arrows to move in steps of $100 or

Editing the field directly and entering the amount of Cash Out

Fixed
Click this option to evaluate refinancing with a fixed rate mortgage.

ARM
Click this option to evaluate refinancing with an adjustable rate mortgage.

LOAN INFORMATION
Term
Adjust the term, or length, of the loan by either:

Clicking the stepper arrows to move in steps of 1 year or

Editing the field directly and entering the number of years

Interest
Adjust the interest rate of the loan by either:

Adjusting the spinner control to move the interest rate in increments of 1/8% (.125%).

Highlight all text by double clicking in the interest rate field and entering the exact interest rate without the "%" sign.   For example, enter 7.39 for a 7.39% interest rate.   After tabbing out of the field or hitting enter, the number will format to 7.390%.

Points
Adjust the points of the loan by either:

Adjusting the spinner control to move the points in increments of 1/8% (.125%).

Highlight all text by double clicking in the points field and entering the exact points without the "%" sign.   For example, enter 2.25 for 2.25% points.   After tabbing out of the field or hitting enter, the number will format to 2.250%.

Other Costs
Other costs represents closing costs and is initially estimated as 3% of the mortgage amount.   Adjust this field by either:

Adjusting the spinner control to move the costs in increments of 1/8% (.125%).

Highlight all text by double clicking in the points field and entering the exact costs without the "%" sign.   For example, enter 2.3 for 2.30% other costs.   After tabbing out of the field or hitting enter, the number will format to 2.300%.

Highlight all text by double clicking in the points field and entering the exact costs in dollars.   For example, enter 1450 if that is the known cost to refinance.   After tabbing out or hitting enter, the number to the right of the field will format to $1,450.00 and the Other Costs field will be calculated as the percentage of the Mortgage Amount that $1,450.00 represents.

Select the "Closing Costs Detail..." button, adjust the amounts on the closing Costs Detail window and select the "Link..." button to link the estimated closing costs back to the New Mortgage window.   The percentage in the Other Costs box will automatically adjust to match the dollar amount.

Closing Cost Detail...
Clicking on this button brings up the "Closing Costs Detail" window.

ARM Adjustment Detail...
(This button only appears on the New Mortgage window if ARM was selected as the type of mortgage).
Clicking on this button brings up the "ARM Adjustment" window.

LOAN CALCULATIONS
Mortgage Amount
This amount is the Refinance Amount plus the Cash Out amount plus any Cash Rolled Into the Mortgage Amount (see below).

Payment (P&I)
This is the required monthly payment of principal and interest.

Loan To Value
Loan To Value represents a ratio of how much of the property's appraised value is being loaned.   In most cases, a lender will not lend more that 95% of a property's value.   (The value is obtained from Step 2.)

Total Payments
This number is the total payments of principal and interest at the end of the Term of the loan.   The calculation assumes all payments are made and no additional principal payments are made.

Total Interest Payments
Similar to Total Payments except it only represents the interest portion paid over the life of the loan.

Total Upfront Costs
This value is the addition of the Points applied against the Mortgage Amount and the Other Costs applied against the Mortgage Amount.

Cash
Initially, this number will equal the Total Upfront Costs.   It is the amount of cash necessary to close on the loan.   It cannot be greater than the Total Upfront Costs but can be adjusted by clicking the stepper arrows to move in steps of $100 if the Roll Into Mortgage Amount is adjusted.

Roll Into Mortgage
Initially set to zero, this field can be adjusted by clicking the stepper arrows to move in steps of $100.   Anything rolled into the mortgage is reflected in the Mortgage

Amount field and the Cash field.   This field cannot be less than zero or greater than the Total Upfront Costs.

PAYBACK
P&I - Original
This is the required principal and interest payment of the original terms of the mortgage or in the case of   the original loan being an adjustable rate mortgage, this is the current interest rate of the mortgage.

P&I - Refinance
This is the required principal and interest payment for the Mortgage Amount and the specified Term and Interest of the loan.

Difference
The difference between the P&I - Original and P&I - Refinance.   If this number is positive, then the P&I - Refinance is less than the P&I - Original.

Term Reduction
If the Term of the refinanced loan is less than the remaining term of the loan to be refinanced, this field reflects the difference.

Interest Savings
This field represents any interest savings realized from refinancing the loan.   It is calculated by comparing the interest to be paid with the refinanced loan (assuming normal payments through the loan term) to what interest would have been paid if the loan was not refinanced and normal payments continued through the remainder of the loan term.

If this number is negative, it means that you will pay more interest by refinancing the loan and making normal payments.   This is typical if, for example, you have a loan that is 5 - 10 years old and are refinancing it for another 30 years.   This indicates that you should consider applying extra principal against the refinanced mortgage from the monthly savings realized from the lower interest rate.

Break Even In
If there is cash required to be spent in order to refinance the loan, then this cash is compared with the monthly savings realized from refinancing.   Break Even In shows the simple payback of how many months it takes of lower required monthly payments to recoup the initial cash spent at the closing of the loan.

Also, a simple Break Even In calculation is done for all costs of the loan (whether rolled into the mortgage amount or not).

Calc Payments
Clicking this button calculates all the fields described above.   Always choose this just before printing to ensure all changes have been accounted for.

Show Amortization
Clicking on this button displays the Amortization Table for the current loan.

Help
Select this button to display the help screen for refinance analysis.

![icon] MortgageTracker

This command calls the separately sold MortgageTracker module.

MortgageTracker allows the user to keep track of various aspects of an existing mortgage. At the time of each payment, MortgageTracker will calculate the principal and interest portion of the current payment.   Optionally, an extra principal payment can be specified and MortgageTracker will calculate the interest savings and the new effective loan term from that one time extra principal payment.   Further, the user can see what the affect would be of continuing that extra principal payment or calculating what extra principal payment would be necessary to pay off the loan in a certain number of years.

If you did not purchase MortgageTracker with MortgagePlus, you can order it by jumping to Ordering Information.

Quick Mortgage Payment Calculator

The quick Mortgage Payment Calculator produces a series of required monthly payments for a range of loan terms and interest rates.

Loan Amount
Enter the desired loan amount.

Years In Loan
Minimum - Enter the minimum loan term, e.g. 15.
Maximum - Enter the maximum loan term, e.g. 30.

Interest Rates
Minimum - Select the down arrow to drop down a list of interest rates. Select one as the minimum rate to be calculated, e.g. 4.0%.
Maximum - Select the down arrow to drop down a list of interest rates. Select one as the maximum rate to be calculated, e.g. 9.0%.

Show Payments
Selecting this button after filling in the above fields calculates the monthly payment for the Loan Amount and the range of Terms and Interest Rates and then displays the results in the grid.

Print
Clicking on this button displays a dialog box for Printing the information on the Quick Mortgage Payment Calculator Window.

Help
Select this button to display the help screen for refinance analysis.

Calculator

Displays the Microsoft Windows calculator.   If it is already running, it brings the window up on top of all other windows and the current calculator settings are saved.   If it is not running, it starts execution and places the window on top of all other windows.

College Cost Projector

The College Cost Projector helps to determine the savings required for putting a child through college based on the parameters described below:

Student Name
Optional

Age
Age of the child now.

College Age
How old the child will be when starting college.

Current Annual Cost Of College
How much it costs today to attend a particular college.

Annual Increase In Cost Of College
How much you expect costs will increase each year.

Number Of Years In College
Typically 4.

Amount Saved For This Student
How much is already saved for the child for college.

Annual Rate Of Return
What type of earnings do you expect for the money saved.

Calc Results
Click this button after filling in all above fields.

Results
Save Yearly
How much needs to be put away each year from now until the child starts college.

Save Monthly
How much needs to be put away each month from now until the child starts college.

Total
How much will have been saved for the child by the time college age is reached (including earnings).

![icon] Help

Help exists for using the program and reading mortgage tips.

Help can also be accessed in the following ways:

![icon] If a window has a Help button on it, then clicking this button will position the user at the specific topic within the overall Help system.

![icon] Hitting F1 at any time will display the Help Contents window.

![icon] Selecting the Help button on the button bar will display the Help Contents window.

![icon] Selecting the Help menu item will drop down a list of available help topics to jump to directly.

![icon] Select one of the Help Icons in the "MortgagePlus" program group.

Save/Save As

This feature is available by clicking on the Save button in the button bar along the top of the screen (see picture of button above) or by selecting "Save" or "Save As" from the File pull down menu.   If these options are not available (either grayed out or not visible) then the currently active window cannot be saved.

Executing this feature saves the information in the currently active window to a file for later recall.

If the information in the active window has not been saved before, a dialog box is presented to enter a file name.   If the file name entered does not contain an extension, one is added automatically (see list below).   The standard list of extensions in the table below are encouraged to be used if the user chooses to enter one.   After saving, the caption of the window is changed to reflect the saved file name.   Subsequent saves will update this file name without any notice to the user.

If the information in the active window has already been saved to a file (as evidenced by a file name in the caption of the window), then selecting "Save As" from the File pull down menu will display a dialog box allowing a new name to be chosen.

Standard file types and extensions that are recommended to be used are:

    *.fix   Fixed Mortgage Scenario
    *.arm   Adjustable Mortgage Scenario
    *.ref   Refinance Scenario
    *.pre   Pre-Qualification Scenario
    *.sav   College Savings Scenario

Printing

MortgagePlus supports full printing under Windows 3.1 using the TrueType font "Arial".   This font is a common font that should have been installed with Windows 3.1.   If this font is not on your system, it can be installed or activated through the Windows Control Panel.

Printing under Windows 3.0 is only minimally supported and cannot be guaranteed to work properly.   Currently, the font "Helvetica" is used for printing under Windows 3.0.   This font should be a default of installation under Windows 3.0 and is generally supported by most printers.   (Also, this font may be aliased to "MS Sans Serif" in the win.ini file).

Printing can be accomplished by clicking on either the printer button in the button bar along the top of the screen (see picture of button above) while the window to be printed is displayed, selecting "Print" on the File pull down menu, or clicking on the Print button on the window to be printed.

If these options are not available (either grayed out or not visible) then the currently active window cannot be printed.

Also available from the File pull down menu is a Printer Setup option.   Selecting this will allow the user to select and configure the desired printer.   This can also be done through the print dialog boxes presented to the user when printing from MortgagePlus windows.

Open Existing File

This feature is available by clicking on the Open File button in the button bar along the top of the screen (see picture of button above) or by selecting "Open" from the File pull down menu.

A dialog box is presented to the user defaulting to displaying a list of files in the current directory that contain an extension of .fix (for saved fixed mortgage scenarios).   If the user desires to open a different file format, then selecting the File Type pull down list will present a choice of file types to be displayed in the file list box.   Selecting a filename and clicking the OK button or double-clicking on the filename will open the file.

Standard file types and extensions that are recommended to be used are:

        *.fix   Fixed Mortgage Scenario
        *.arm Adjustable Mortgage Scenario
        *.ref   Refinance Scenario
        *.pre   Pre-Qualification Scenario
        *.sav   College Savings Scenario

Help Button

The help button is a useful tool for quickly checking the function of the buttons on the button bar.

After clicking the Help Button, a status box is displayed just below the button bar.   Clicking any button while the Help Button is in the depressed position, the function of that button is displayed in the status area.   Click the Help Button again to clear the status area and resume normal functions of the buttons.

Glossary

Term	Definition

Mortgage
ARM
Fixed
Buydown
FHA
VA
Conventional
Points
MIP
PMI
Interest Rate
APR
Closing Costs
Lock In
Appraisal
Mortgage Insurance
Homeowner's Insurance
Credit Report
Title Insurance
Escrow
Flood Insurance

Listings

Click Here To Print This Information

Use MortgagePlus as a unique way to get your message across to the consumers most interested in finding YOU!   Any consumer who purchases MortgagePlus is interested in both the Real Estate market and the Mortgage market.

What a unique place to put your ad!   For you, it's an inexpensive way to detail your message, use colors, graphics, even add functionality to your ad!

For example, click on the following Green and Double Underlined text to jump to sample ads. When you want to return to this screen, select the "History" button on the top of this window and then select "Advertising In MortgagePlus" or select "Back":

CLICK HERE TO SEE SAMPLE LISTINGS FOR MORTGAGE LENDERS

CLICK HERE TO SEE SAMPLE LISTINGS FOR REAL ESTATE PROFESSIONALS

Pricing:

$175 allows you to place your Listing in the on-line Help section of MortgagePlus. Your Listing will be included in every copy of MortgagePlus Version 1.0.   As an introductory offer, the $175 gives you the option of placing your Listing in the next version of MortgagePlus for only $25.   (The Listing can be changed at that time.) This provides ongoing exposure for at least the next 6 months for only $175.

Listed below are features that can be incorporated into your listing.   (Some features are an additional $25 and are indicated.)

Color Choices:
Black
Blue
Cyan
Red
Green
Magenta
Yellow

Font Choices:
Any Windows True Type font with point sizes from **4** to **127**.

Font Styles:
Normal, **Bold**, <u>Underlined</u>, or *Italics*   (or any combination).

Graphics ($25):
Provide BitBrain Software with your graphics on a 3.5" diskette.   Graphics must be in either bitmap format or metafile format.   (See Class Act Realty.)   **Additional charge of $25**.

Hot Spot Functionality ($25):
Hot Spot Functionality allows viewers of your Listing to quickly do one or all of the following:

Print Your Ad (see Class Act Realty or ABC Mortgage sample ads)

Attach Notes To Your Ad (see National Bank Of Boalsville sample ad)

Bookmark Your Ad (adds a convenient jump to your ad through the bookmark menu option - see CBA Mortgage sample ad)

Each one of the above three features is an additional **$25**.

To Place A Listing:
1. Layout your Listing with all the information you want in it.
2. Identify font styles, font sizes, and colors desired.
3. Identify any Hot Spot Functionality desired and the text to go with it (see sample Listings).
4. Identify what information to put in the contents screen of the Help application (e.g. "Class Act Realtors")
5. Identify what information to put in the gray, non-scrolling portion of the Help window (e.g. "Listings" on the top of this window).
6. Compute the cost of your ad and mail a check or money order to:

<div align="center">

BitBrain Software
PO Box 355
Allentown, PA 18105-355
Phone: 215-882-2341   FAX: 215-882-2342

</div>

Make checks and money orders payable to "BitBrain Software".

Please be sure to include your name, company, address, phone#, and fax

#...thank you.

NOTE: If faxing your order, include a copy of the signed check or money order on the fax and then mail the check and order form separately.

Receipt of Listings will be acknowledged by BitBrain Software via phone, mail, or fax.

Ordering

MortgagePlus is copyright protected.   You may only install and use MortgagePlus on one personal computer at a time.

CLICK HERE TO DISPLAY ORDER FORM

MortgagePlus is introductory priced at **$25** per copy.   Adding sales tax ($1.50) and shipping & handling ($3) totals to **$29.50**.

MortgageTracker is introductory priced at **$15** per copy.   Adding sales tax ($.90) and shipping & handling ($3) totals to **$18.90**.

Note: Sales tax only applicable in Pennsylvania.

An option is provided on the order form to have diskette(s) sent with order.   If you have obtained this software from a bulletin board, only a validation code is necessary to unlock the full version, and subsequently the shipping and handling is less.   If an electronic address is provided, BitBrain Software will attempt to e-mail the validation code.   (BitBrain Software can be reached on CompuServ @ 72764,263 or Prodigy @ KKXB34A.)

Please feel free to provide any comments on the order form regarding **MortgagePlus** or **MortgageTracker**.

Click above to display an order form which can be filled out on screen.   This order form can then be printed and sent to BitBrain Software along with a check or money order in the amount indicated on the order form.

<div align="center" style="color:blue">

BitBrain Software
PO Box 355
Allentown, PA 18105-355
Phone: 215-882-2341   FAX: 215-882-2342

</div>

Make checks and money orders payable to "BitBrain Software".

NOTE: If faxing your order, include a copy of the signed check or money order on the fax and then mail the check and order form separately.

BitBrain Software
PO Box 355
Allentown, PA 18105
Phone: 215-882-2341   FAX: 215-882-2342