

# Mortgage Solutions Now!

Providing Mortgage Solutions for Professionals and Their Clients!

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The purpose of this analysis is to help you make an informed decision when comparing programs requiring PMI.

## FOLLOW THESE 2 SIMPLE STEPS:

1. Review PROGRAM DETAILS which compares a loan program which requires you to pay for Mortgage Insurance (PMI) vs. a program based on a first and second mortgage, to avoid PMI.
2. ADDITIONAL HOME EQUITY will provide you with further insight as to why the second program might be more advantageous to you financially.

## PMI Analysis

Preferred Client  
123 Good Decision Lane  
Prosperity, CA 900771234

## LOAN PROGRAM DETAILS

This Summary table displays two loan programs. The first program requires an additional payment called PMI because the loan to value ratio is higher than 80%.

The second program has no PMI requirement because the first mortgage has a loan to value ratio of 80%. A second mortgage is added instead, to make up the difference.

This strategy results in increased equity, higher tax deduction, and often lower monthly payments.

	Program (PMI)	Prog. (No PMI)
<b>Purchase Price</b>	\$325,000	\$325,000
<b>Down Payment</b>	5.000%	5.000%
<b>1st Mortgage Amount</b>	\$308,750	\$252,700
<b>Rate</b>	7.250%	7.250%
<b>Term</b>	360	360
<b>P &amp; I Payment</b>	\$2,106	\$1,724
<b>Monthly PMI Payment at 0.780%</b>	\$201	N/A
<b>2nd Mortgage Amount</b>	N/A	\$56,050
<b>Rate</b>	N/A	9.500%
<b>Term</b>	N/A	180
<b>P &amp; I Payment</b>	N/A	\$585
<b>Total Monthly Payment</b>	\$2,307	\$2,309
<b>Net Savings</b>	\$2	\$0

## ADDITIONAL HOME EQUITY

As you compare both loan programs, take notice of the additional home equity which builds over time. Notice the increase over these listed years!

Why pay more for a mortgage program which generates no additional home equity and provides for potentially less tax benefits?

		Program (PMI)	Prog. (No PMI)
<b>5 Years</b>	1st Mortgage	\$291,394	\$238,495
	2nd Mortgage	N/A	\$45,232
	Total Balance	\$291,394	\$283,727
	<b>Additional Home Equity</b>	\$0	<b>\$7,668</b>
<b>7 Years</b>	1st Mortgage	\$282,495	\$231,211
	2nd Mortgage	N/A	\$39,252
	Total Balance	\$282,495	\$270,463
	<b>Additional Home Equity</b>	\$0	<b>\$12,031</b>
<b>15 Years</b>	1st Mortgage	\$230,727	\$188,841
	2nd Mortgage	N/A	\$0
	Total Balance	\$230,727	\$188,841
	<b>Additional Home Equity</b>	\$0	<b>\$41,886</b>

## TAX BENEFITS (Approx).

Finally the additional tax benefits of the second program outweigh those of the first program with PMI.

		Program (PMI)	Prog. (No PMI)	Difference
<b>Tax Bracket 33%</b>	Monthly	\$616	\$650	\$35
	Quarterly	\$1,847	\$1,951	\$104
	Annually	\$7,387	\$7,803	\$416

## NOTES

Mortgage Solutions Now! Provides financial solutions for professionals, their clients, individuals and families to assist in accomplishing their goals. Many of our clients are referrals from legal, taxation, family planning, insurance and investment professionals assisting in achieving their clients' goals. In the process we have been fortunate to serve the professional community for their personal needs as well. We have assisted with simple rate refinancing to a more complicated lowest non-fixed rate loan while in employment transition, lowering the clients overall financial obligations.

**Ask your friends or family if they would like to receive our Quarterly Review!**