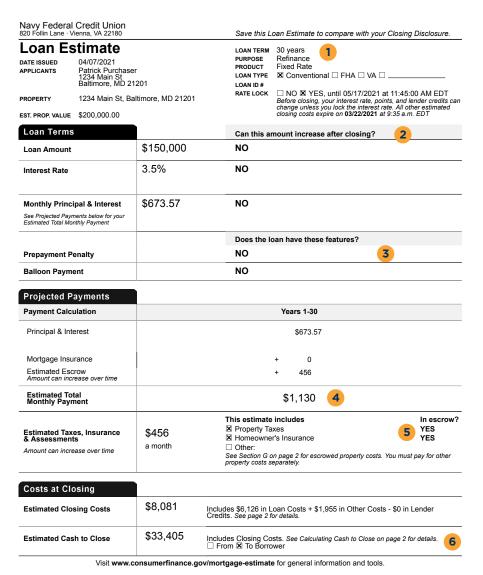


LOAN ESTIMATE

Understanding Your Loan Estimate

The information included in this guide will help you understand your personal Loan Estimate, which provides important details about the mortgage loan you requested. Be sure to review your personal Loan Estimate to make sure it reflects the details and terms you expected—such as your interest rate, projected monthly payment and expected closing costs. If something looks different, ask your Home Loan Advisor and use this guide as a reference.

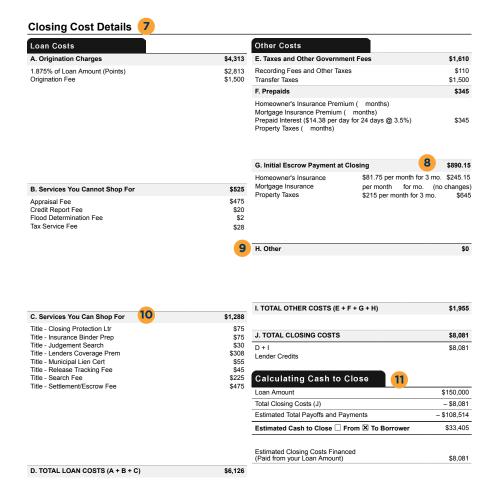
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- **1.** This section shows general information about your loan, including the number of years it will last, your unique loan number and if your interest rate is locked.
- **2.** If the right column says YES, your interest rate is adjustable and could change after your loan closes. Confirm that this information is correct.
- **3.** A prepayment penalty is a fee that a lender may charge if you pay off all or part of your mortgage early. Navy Federal loans don't include this fee.
- **4.** This figure includes your monthly principal and interest, mortgage insurance (if applicable) and estimated escrow payment (homeowners insurance and property taxes).
- **5.** If these "in escrow" items are marked "yes", every month we'll collect 1/12 of these annual costs from you as part of your mortgage payment. We'll put this money aside in your escrow account, then make these payments on your behalf when they're due. If these "in escrow" items are marked "no", you'll receive a separate bill from your providers.
- **6.** This is the estimated amount you'll receive or be expected to pay at closing—in addition to any costs you've already paid. This payment is usually made by cashier's check or wire transfer.



Understanding Your Loan Estimate



- **7.** This section shows the costs associated with getting your loan, such as origination charges and any points you're paying to buy down your interest rate.
- **8.** Typically, we require 2 months of insurance and property tax costs to be held in escrow. Property taxes are set by your local or state government, not by Navy Federal. You may want to check with your local tax authority or real estate agent to make sure this estimate is correct.
- **9.** This section shows optional services you obtained as part of the transaction, such as Home Inspection and Home Warranty.
- **10.** Navy Federal requires these services, but you can shop around for your service provider to get the best price. A list of providers is included with your Loan Estimate.
- **11.** Your Estimated Cash to Close is the estimated amount of money you'll need to bring to closing or you may receive back at closing. This section shows how the Estimated Cash to Close was calculated.

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Understanding Your Loan Estimate

Additional Information About This Loan

LENDER Navy Federal Credit Union MORTGAGE BROKER NMLS/MD LICENSE ID 00001 NMLS/_ LICENSE ID LOAN OFFICER Paul Processor LOAN OFFICER 00001 NMLS/_ LICENSE ID Paul_processor@navyfederal.org (555)555-555 PHONE

Comparisons	Use these measures to compare this loan with other loans.	
In 5 Years	\$46,884 \$15,455	Total you will have paid in principal, interest, mortgage insurance, and loan costs. Principal you will have paid off.
Annual Percentage Rate (APR)	3.772%	Your costs over the loan term expressed as a rate. This is not your interest rate.
Total Interest Percentage (TIP)	61.886%	The total amount of interest that you will pay over the loan term as a percentage of your loan amount.

12. APR reflects your mortgage interest rate plus other charges, such as points, mortgage broker fees and other charges that you pay to get your loan. For that reason, your APR is usually higher than your interest rate.

13. Navy Federal will provide you with first-class loan service for as long as you have your loan. That includes sending your monthly statement, collecting payments, making payments from your escrow account on your behalf and other administrative duties.

Other Considerations

Appraisal

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

If you sell or transfer this property to another person, we \qed will allow, under certain conditions, this person to assume this loan on the original terms. Assumption

 ${\color{red} f \boxtimes}$ will not allow assumption of this loan on the original terms.

This loan requires homeowner's insurance on the property, which you may obtain from a company of your choice that we find acceptable. Homeowner's Insurance

If your payment is more than 15 days late, we will charge a late fee of 5 percent of the Principal and Late Payment

Taking this loan could end any state law protection you may currently have against liability for unpaid debt if your lender forecloses on your home. If you lose this protection, you may have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information. Liability after Foreclosure

Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Servicing

We intend
★ to service your loan. If so, you will make your payments to us.

□ to transfer servicing of your loan.



Confirm Receipt

Refinance

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Patrick Purchase

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