



CALIFORNIA ASSOCIATION OF MORTGAGE BROKERS (CAMB) CONSUMER EDUCATION AND PROTECTION WORKSHEET

Helping Borrowers Select Their Best Mortgage Fit

Buyer Name: _____

Address: _____

Telephone: _____ Email: _____

The objective of this worksheet is for the prospective borrower and broker to have an educational dialogue that enables the borrower to make an informed mortgage decision and empowers the broker to fit the borrower to the best possible loan. The broker and borrower should take ample time to review and discuss each section thoroughly, and the broker should answer every question so the borrower has the support and information to make an educated decision.

I. BORROWER'S GOALS

What are the borrower's goals and reasons for this financing?

- Are you purchasing _____ or refinancing _____?
- If refinancing, why? _____
- What is most important to you about this mortgage?
What is your financial goal?

- Rank the following in order of importance (1 being most important, 4 being least important)
- Payment amount _____ Loan Amount _____
 - Cost _____
 - Interest rate _____
 - Down payment amount _____
- How long do you intend to live in the home? _____
- Will you be saving for educational expenses? Yes No
- Will you be saving for retirement? Yes No
- How many years before you plan on retiring? _____
- Will you consolidate debt? Yes No
- Discussion on priorities: _____

II. BORROWER'S CURRENT FINANCIAL STATUS

Consider your current outstanding debts, employment outlook and other financial factors.

- Credit score _____
- Source/Date of Score _____
- Total amount of consumer credit debt: _____
- Attach a list of credit if applicable
- My gross monthly income is \$ _____
Decline to State: _____ Initial: _____
- Can you verify your income? Yes No
- Can you verify all sources of funds? Yes No
- Can you verify all your assets? Yes No
- Income and Employment History: _____

- How much monthly housing expense are you comfortable with, including property tax and insurance? _____
- Estimated debt to income ratio: housing _____, total debt _____.

III. HOW MUCH ARE YOU LOOKING TO BORROW?

The goal of this section is to estimate how much you can afford to borrow. Compare what you can afford with what you want to buy and what you will be comfortable spending:

- How much money are you able to invest in a down payment, if any? \$ _____
- Are you going to borrow money to make a down payment, and if so, from where? Yes No

IV. PRE-APPROVED vs. PRE-QUALIFIED MORTGAGE

Pre-approved consists of credit and application review by an underwriter and a written approval from the lender for a specific loan amount. Pre-qualified consists of a verbal conversation with a broker who provides an estimate of the amount you qualify to borrow.

- Are you pre-approved or pre-qualified for a mortgage? Yes No
- For how much: \$ _____
- Type of loan _____

V. 60 MONTH ANALYSIS

The goal of this section is to project to the best of your ability where you will be financially in the future. Keep in mind any potential expected changes in your financial standing:

- In the next 2-5 years, I estimate my income to be: \$ _____
- In the next 10 years, I estimate my income to be: \$ _____
- Do you expect the size of your family to increase or decrease in the coming years? _____
- Other financial considerations such as retirement, job location, college education (attach separate list if needed): _____

VI. MORTGAGE OPTIONS

Following are available mortgage options. The broker will provide an overview, including advantages and disadvantages, of the appropriate program(s). Both the borrower and the broker should initial, indicating you, the borrower understand what was explained.

Advantages / Disadvantages

- Arm v. fixed (5 year, 30 year, 40 year, 50 year, other)
- Hybrid v. fixed (5 year, 30 year, 40 year, 50 year, other)
- Interest Only Loans
- Monthly Payments
- Principal Balances
- Pick a Payment
- How each loan/payment works
- Does my payment fluctuate and when will it fluctuate?
- How long will it take to build equity?
- How long to pay off my loan?

Borrower: _____ Broker: _____

VII. MORTGAGE LOAN DISCLOSURE

Review with your broker the federal and state disclosure forms ("Truth in Lending" and "Mortgage Loan Disclosure Statement") regarding the costs of the mortgage.

- Did you read and understand the Truth in Lending form? Yes No
- Did you read and understand the Mortgage Loan Disclosure Statement Yes No

VIII. BROKER RECOMMENDATION

The goal of this section is to list the recommended program. There is no guaranteed approval for a loan because of other information that may not be known at this time.

- The recommended program: _____
- Purchase Price: _____
Down Payment: _____
- Loan Amount: _____
- Fully Indexed Rate: _____
Payment Rate: _____
Term: _____
- Adjustment Period: _____
Index: _____
Margin: _____
- Life Interest Cap: _____
Per Adjustment Cap: _____
1st Adjustment: _____
- Fees: _____
Other: _____
- Why this option is recommended: _____

- Additional explanation: _____

- Borrower's initials: _____ (Borrower understands the terms)

IX. BORROWER'S DECISION

List reasons why the borrower chose this program and if it differs from what was recommended:

- Decided on _____ as the best option
- If the option differs from the broker's choice, list reasons why a different option was chosen: _____

X. COMMENTS

Additional comments and borrower feedback.

- After counsel, borrower chose to _____, not to _____, accept my recommendation.
- Additional Comments: (Why You Chose or did not choose the recommendation) _____

- Borrower feedback: _____

Broker's Signature: _____

Borrower's Signature: _____