



Monday, January 22, 2007

## How to Use Your Good Faith Estimate To Compare Lenders

The Good faith Estimate of closing costs attached not only contains the fees charged by the lender you eventually choose, but also includes the fees other third parties such as the appraiser and closing agents will charge in closing your real estate transaction. Many lenders, in an effort to solicit your business may accurately state the fees they charge, but understate their estimate of these third party fees. For that reason we recommend that you ask any lender who provides you with **a Good Faith Estimate to inform you of those fees on the estimate that are lender determined as opposed to those fees where they are simply estimating what a non-lender related third party will charge.** In this way you can not only determine what fees will be dependent on the lender you choose, but you will also know what services you will need to negotiate directly with third party service providers after you select your lender to determine the accuracy of the lender's estimate.

***New South Federal establishes the following fees shown on the Good Faith Estimate we have provided. All other fees should be discussed with the service provider you choose:***

- Line 801** - Origination Fee
- Line 802** - Discount Points
- Line 804** - Credit Report (Third party, but you must use ours)
- Line 809** - Underwriting Fee
- Line 810** - Document Preparation Fee
- Line 1303** - Flood Certification (Third party, but you must use ours)
- 1304** - **Tax Service** (Third Party, but you must use ours)

It is our desire to estimate the remainder of the fees as accurately as possible. We try very hard to avoid our customers having to come to closing with more funds than initially disclosed, and consequently have a tendency to use average to slightly higher than average estimates for the remainder of the fees on your Good faith Estimate. If you shop based on the total costs disclosed on the Good Faith Estimate you may find the lender with the lowest total will not be the lender with the lowest fees, and that the actual costs at closing could be substantially higher than initially disclosed. All fees other than those listed above should be confirmed with the third party service provider before allowing the lender to proceed with ordering that service.

We appreciate the opportunity to present this estimate on behalf of New South Federal and would very much appreciate the opportunity to answer any questions and to meet your financing needs.

The above information provided by:

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and

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