The Hills Mortgage And Finance Company, L.L.C.

Real Rates. Real Service. Real Simple.[SM]

Shopping for a mortgage can be a very confusing task. The Hills Mortgage And Finance Company, L.L.C has created a quick lesson on the ins and outs of comparing mortgages from one company to another.

There are two basic things that everyone shops for: RATE & FEES!

Rate:

When shopping rate, it is important to understand the majority of companies have access to the same rates. Therefore, if it sounds too good to be true, it just may be! A good benchmark for rates is to look at what the large banks are offering. If a rate is within their "range", it is probably accurate. The reason small companies can offer lower rates than large banks is because smaller companies have less overhead making profit margin lower.

Fees:

The information below breaks out just how to read a Good Faith estimate!

801-899
These are the lender/ broker fees that **WILL** vary from company to company. When Shopping, it is very important to **WATCH** these fees.

901-906
These are prepaid items paid by you in advance , based on the closing date. These **WILL NOT** vary from company to company.

1101-1199
These are your title/ attorney fees that **WILL NOT** vary from company to company as long as you **choose your own** attorney/title company.

1201-1299
These are government fees/taxes that **WILL NOT** vary from company to

1301-1399
These fees **WILL NOT** vary from company to company.

1001-1099
These are the escrow reserves that are deposited with the lender on your behalf. These **WILL NOT** vary from company to company. Remember, if the loan was paid off tomorrow, you would get that money back!

Good Faith Estimate

(Not a Loan Commitment) Date: 02/09/2007

This Good Faith Estimate is being provided by a Mortgage Broker, and no lender has yet been obtained. A lender will provide you with an additional Good Faith Estimate within three business days of receipt of your loan application.

GFE Provided By:	Subject Property:	Borrower(s):
The Hills Mortgage And Finance Company, L.L.C. 792 Chimney Rock Road Martinsville, NJ 08836 Justin Demola 877-974-4557		

Loan Number:	Interest Rate:	Type of Loan: Conventional	Base Loan Amt:
Loan Program: Fixed (Purchase)	Term: 360	Sales Price:	Total Loan Amt:

The information provided below reflects estimates of the charges you are likely to incur at the settlement of your loan. The fees listed are estimates; actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 or HUD-1A settlement statement you will receive at settlement. The HUD-1 or HUD-1A settlement statement will show you the actual cost of items paid at settlement.

Estimated Closing Costs

800	Items Payable in Connection with the Loan		1100	Title Charges	
801 A	Loan Origination Fee @ 0.000% +0.00	$	1101 A	Settlement or Closing Fee	$
802 A	Loan Discount Fee @ 0.000% +0.00	$	1102	Abstract or Title Search	$
803	Appraisal Fee	$	1103	Title Examination	$
804	Credit Report	$	1104	Title Insurance Binder	$
805	Lender's Inspection Fee	$	1105	Document Preparation Fee	$
806	MI Application Fee	$	1106	Notary Fee	$
807	Assumption Fee	$	1107 A	Attorney Fee	$
808	Mortgage Broker Fee @ 0.000% +0.00	$	1108	Title Insurance Fee	$
809 A	Tax Servicing Fee	$	1109	**Simultaneous Issue**	$
810	Processing Fee	$	1110	**Miscellaneous Title Endorsements**	$
811	Underwriting Fee	$	1111		$
812	Wire Transfer Fee	$	1112		$
813 A	**Application Fee**	$	1113		$
814 A	**Flood Cert**	$	1114		$
815 A	**Commitment Fee**	$			
816		$	1200	**Government Recording and Transfer Charges**	
817		$	1201	Recording Fee	$
818		$	1202	Local Tax/Stamps	$
819		$	1203	State Tax/Stamps	$
820		$	1204		$
821		$	1205		$
822		$	1206		$
823		$			
	Compensation to Broker from Lender (Not Paid out of Applicant's Loan Proceeds)		1300	**Additional Settlement Charges**	
824			1301	Survey to:	$
825	**Yield spread premium to The Hills Mortgage paid by the Lender**		1302	Termite/Pest Inspection:	$
			1303		$
			1304		$
			1305		$
			1306		$
			1307		$
			1308		$
			1309		$
				Total Estimated Closing Costs	$

Estimated Reserve/Prepaid Costs

900	Items Required by Lender to be Paid in Advance		1000	Reserves Deposited with Lender		
901 A	Prepaid Interest 15 days @	$	1001	Hazard Ins	2 mths @	$
902 A	Mortgage Insurance Premium	$	1002 A	Mortgage Ins	mths @	$
903	Hazard Insurance Premium	$	1003	City Prop. Tax	mths @	$
904	County Property Tax	$	1004	Property Tax	5 mths @	$
905	VA Funding Fee	$	1006	Flood Ins	mths @	$
906	Flood Insurance Premium	$	1007		mths @	$
907		$	1008		mths @	$
908		$	1009		mths @	$
			1010	Aggregate Analysis		$
				Total Estimated Reserve/Prepaid Costs		$

Transaction Summary

Total Estimated Monthly Payment		Total Estimated Funds Needed to Close		
Principal & Interest	$	Purchase Price/Payoff	(+)	$
Other Financing (P & I)	$	Total Estimated Closing Costs	(+)	$
Hazard Insurance	$	Total Estimated Reserve/Prepaid Costs	(+)	$
Real Estate Taxes	$	Discounts (if borrower will pay)	(+)	$
Mortgage Insurance	$	FHA UFMIP/VA Funding Fee	(+)	$
HOA Dues	$	**Total Costs**	(c)	$
Other	$			
Total Monthly Payment	$	Loan Amount	(-)	$
		Total Non-Borrower Paid Closing Costs	(-)	$
Closing Costs Summary		FHA UFMIP/VA Fee Financed	(-)	$
Total Borrower Paid Closing Costs	(a) $		(-)	$
	$		(-)	$
	$		(-)	$
	$		(-)	$
	$	First Mortgage	(-)	$
	$	Second Mortgage (Subordinate Financing)	(-)	$
Total Non-Borrower Paid Closing Costs	(b) $	Closing Costs from **2nd Lien**	(+)	$
		Total Credits	(d)	$
Total Closing Costs	(a+b) $			
		Cash from borrower	(c – d)	$

S – Paid by Seller **B** – Paid by Broker **A** – APR Affected by Cost
S/ – Split by Seller & Others **L** – Paid by Lender **O** – Paid by Other **P** – Paid Outside Closing (POC)

These estimates are provided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information can be found in the HUD Special Information Booklet, which is to be provided to you by your Mortgage Broker or lender if your application is to purchase residential real property and the lender will take a first lien on the property. The undersigned acknowledges receipt of a copy of the Special Information Booklet "Settlement Costs."

Borrower Date Co-borrower Date

In summary, the only fees that should vary from company to company are lines 800-899! It is also important to remember that the lenders may pay a Yield Spread Premium to the mortgage company which is indicated on line 817 above (Line # may differ on all GFEs) and the borrower IS NOT responsible for this compensation.

After all your shopping, you need to feel comfortable with the rate/fee combination you are getting!

Please feel free to call us at 877-974-4557 with any further questions.