

# Bob Howe

"Know Howe For Your Next Loan"

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## FOLLOW THESE 3 SIMPLE STEPS:

- 1 SUMMARY displays a comparison showing your total monthly rent vs a breakdown of a proposed mortgage plan
2. Review and compare the benefits of homeownership over time
3. ASSET ACCUMULATION shows how you can invest x amount of money for your future to increase your net worth

## Rent Vs Own

Value Client

6312 Prosperity Lane, Apt 34

Fullerton, CA 92832

### Summary

This summary table displays the benefit opportunity of homeownership. The rent column displays the amount you are currently paying in rent. The buy column reflects the cost and benefits of homeownership.

See the benefits of Homeownership in action. After taxes, your net monthly cost of Homeownership would be:

**\$2,892**

Offering a monthly Homeowner benefit of:

**\$0**

Rent		Homeownership	
Rent	\$1,800	P&I	\$3,296
Insurance/Other	\$100	Taxes/Insurance/HOA	\$760
<b>Total Rent</b>	<b>\$1,900</b>	<b>Total PITI</b>	<b>\$4,056</b>
		Tax Benefits	\$1,164
		Principal Paid	\$0
<b>Net Monthly Cost</b>	<b>\$1,900</b>	<b>Net Monthly Cost</b>	<b>\$2,892</b>

Assumptions		Assumptions	
Rental Increase/Yr	7%	Appreciation	3%
		Tax Bracket	30%
		Purchase Price	\$638,000
		Interest Rate	6.750%
		APR	6.814%
		Down Payment	\$63,800
		Closing Costs	\$4,900
		Total Cash to Close	\$68,700

### Ownership Analysis

The benefits of Homeownership can be seen over time. The tables in this analysis reflect the cost savings as well as the equity you will build based on principle reduction and appreciation rates of your property.

Months: 60

Months: 84

Rent		Homeownership	
Total Payment	\$130,216	Total PITI	\$243,370
Principal Paid	\$0	Principal Paid	\$0
Tax Benefit	\$0	Tax Benefit	\$69,861
<b>Net Cost</b>	<b>\$130,216</b>	<b>Net Cost</b>	<b>\$173,509</b>
Real Estate Value	\$0	Real Estate Value	\$739,617
Loan Balance	\$0	Loan Balance	\$574,200
<b>Total Home Equity</b>	<b>\$0</b>	<b>Total Home Equity</b>	<b>\$165,417</b>

Rent		Homeownership	
Total Payment	\$195,327	Total PITI	\$340,718
Principal Paid	\$0	Principal Paid	\$0
Tax Benefit	\$0	Tax Benefit	\$97,805
<b>Net Cost</b>	<b>\$195,327</b>	<b>Net Cost</b>	<b>\$242,913</b>
Real Estate Value	\$0	Real Estate Value	\$784,660
Loan Balance	\$0	Loan Balance	\$574,200
<b>Total Home Equity</b>	<b>\$0</b>	<b>Total Home Equity</b>	<b>\$210,460</b>

### Asset Accumulation

The benefits displayed in asset accumulation show how investing monthly can increase your net worth.

Investment		Investment	
Opening Balance	\$0	Opening Balance	\$0
Monthly Amount	\$992	Monthly Amount	\$0
Return Avg.	7.500%	Return Avg.	0.000%
<b>Years</b>	<b>Amount</b>	<b>Years</b>	<b>Amount</b>
5 yrs	\$71,947	5 yrs	\$0
7 yrs	\$109,152	7 yrs	\$0

Benefits		Benefits	
By 7 yrs, your TOTAL NET WORTH will reach \$109,152.		By 7 yrs, your home's equity is \$210,460. Your asset account is \$00. Your TOTAL NET WORTH will reach \$210,460.	

NOTICE AND DISCLAIMER: The results above are based on (i) information provided by you, (ii) estimates of interest rates, your ability to save, your tax bracket, closing costs and other amounts, (iii) currently available loan programs and (iv) information and assumptions discussed with your advisor; all of which might change over time. If the information or assumptions are not correct or change, then the results above will change. Your advisor will provide additional information about costs, fees and other information required by state and federal law.

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