Mortgage Remedy

Complete Step-by-Step Home-Loan Comparison and Closing Guide

THE FAST VERSION

• Get at least three matched Loan Estimates as close together in time as practical.

• Compare rate, points, lender credits, lock status, mortgage insurance, and total loan costs together.

• Run short, expected, and long hold periods before buying points or accepting lender credits.

• Never double-count points or lender credits.

• Changed wiring instructions are a hard stop until independently verified.

THE COMPLETE STEP-BY-STEP PROCESS

STEP 1 - Define the exact transaction

Set purchase/refinance purpose, property/occupancy type, price, down payment, base loan amount, loan program, term, fixed/ARM structure, mortgage insurance, and lock assumptions.

STEP 2 - Request at least three matched Loan Estimates

Ask for the same transaction assumptions from multiple lenders as close together in time as practical. A Monday unlocked quote and Friday locked quote are not a fair contest.

STEP 3 - Ask what the preapproval actually verified

Labels are inconsistent. Ask whether income, employment, assets, credit, debts, automated underwriting, and manual underwriting were actually reviewed.

STEP 4 - Get zero-point, points, and lender-credit options in writing

One point equals 1% of loan amount, but there is no universal rate reduction per point. Use actual lender-issued scenarios.

STEP 5 - Choose realistic hold periods

Run short, expected, and long horizons before deciding whether points or lender credits make sense.

STEP 6 - Validate comparability before ranking

Do not compare quotes with different loan amounts, programs, lock periods, occupancy, mortgage-insurance assumptions, or other material terms as though one simply costs less.

STEP 7 - Check Loan Estimate Page 1

Verify loan amount, rate, term, fixed/ARM structure, payment, prepayment penalty, balloon, escrow, and mortgage insurance.

STEP 8 - Audit Section A origination charges

Points are already included in Section A and Total Loan Costs. Do not count them twice.

STEP 9 - Audit Sections B and C separately

Services you cannot shop for and services you can shop for are not automatically lender profit. Compare matched quotes and normalize shop-able services where appropriate.

STEP 10 - Subtract lender credits exactly once

Lender credits reduce the consumer's loan costs. Do not subtract them twice or hide the tradeoff with rate.

STEP 11 - Compare no-closing-cost structures by hold period

A lender-credit structure can be rational for a short hold and expensive for a long hold. Calculate the crossover using real paired scenarios.

STEP 12 - Review title and settlement costs carefully

Separate lender policy, owner policy, search, settlement, closing, and other services. Apply state-specific title rules and available discounts.

STEP 13 - Track mortgage insurance

Know whether PMI/MIP applies, how much it costs, and what cancellation or termination rules apply to the actual product.

STEP 14 - Verify rate lock

Confirm lock status, expiration, lock period, extension terms, and what can change before closing.

STEP 15 - Model ARM or temporary buydown structures explicitly

Do not evaluate an ARM, balloon, negative-amortization, or buydown product using only the initial payment.

STEP 16 - For refinance, compare against doing nothing

Include current loan balance, current rate, closing costs, new rate, expected hold period, and remaining balance. A lower payment alone is not a refinance verdict.

STEP 17 - Compare borrowing cost across horizons

Use credit-adjusted loan costs, cumulative interest, mortgage insurance, recurring fees, penalties where applicable, and remaining balance.

STEP 18 - Treat unsolicited post-pull calls as VERIFY

Trigger-lead rules have exceptions. Do not assume every post-credit-pull solicitation is illegal; verify the caller and relationship.

STEP 19 - Treat changed wire instructions as a hard stop

Never use a phone number from a suspicious change email. Independently verify wiring instructions using a known number and contact your financial institution immediately if fraud is suspected.

STEP 20 - Compare the Closing Disclosure with the final Loan Estimate

Verify amount, rate, product, payment, points, lender credits, fees, cash to close, and changes. Apply the correct tolerance category before challenging a difference.

STEP 21 - Know when a new waiting period is actually triggered

A new 3-business-day Closing Disclosure waiting period is triggered by specific material changes such as an inaccurate APR, a loan-product change, or a newly added prepayment penalty, not every correction.

STEP 22 - Understand rescission separately

There is no general federal three-day right to cancel a purchase-money mortgage. Rescission applies to many qualifying non-purchase-money principal-dwelling transactions and has exceptions.

STEP 23 - Close only after the documents match the deal

Do not sign or wire funds until material discrepancies are corrected and wire instructions are independently verified.

HARD STOPS / MAJOR RED FLAGS

• Quote cannot be reconciled to the Loan Estimate terms.

• Points or lender credits are counted more than once in the comparison.

• Materially different loans are being ranked as though they are comparable.

• Changed wiring instructions arrive from an unverified source.

• Loan product, APR, prepayment penalty, or cash-to-close changes materially without explanation.

• Pressure to sign before corrected documents are issued.

• Sensitive mortgage documents are being handled without appropriate privacy/security controls.

BUYER / CONSUMER WORKSHEET

A. Transaction assumptions

Field	Your entry
Purpose	
Purchase price	
Down payment	
Base loan amount	
Program	
Term	
Fixed/ARM	
Occupancy	
Mortgage insurance	
Lock period	

B. Quote comparison

Field	Your entry
Lender 1 rate/points/credits	
Lender 2 rate/points/credits	
Lender 3 rate/points/credits	
Section D Total Loan Costs	
Lender credits	
Credit-adjusted loan costs	

C. Hold periods

Field	Your entry
Short horizon	
Expected horizon	
Long horizon	
Borrowing cost at each horizon	
Remaining balance at each horizon	

D. Closing safety

Field	Your entry
CD received	
LE/CD compared	
Wire instructions independently verified	
Material changes resolved	
Final cash to close verified	

SOURCE AND SCOPE

Built from the canonical Mortgage Remedy v2.1 master. The canonical defines Mortgage Remedy as a comparable-quote and hold-period cost engine, not a cost-plus fair-rate calculator. The existing dedicated calculator and website prompts remain the implementation source of truth.

Educational comparison and issue-spotting only. Mortgage products, disclosures, taxes, title rules, mortgage insurance, rescission, and state/local requirements vary. This guide does not provide legal, tax, investment, or lending advice and does not replace review of the actual Loan Estimate, Closing Disclosure, program rules, or professional advice.

 |