

Federal Reserve Bank of San Francisco  
101 Market Street, San Francisco, California 94105

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**BANKING SUPERVISION AND REGULATION:  
MORTGAGE COMPARISON CALCULATOR**

To State Member Banks, Bank  
Holding Companies, U.S. Branches  
and Agencies of Foreign Banks,  
and Others Concerned,  
in the Twelfth Federal Reserve District

**Board Announces Availability of the Online Mortgage Comparison Calculator**

The Federal Reserve Board announced the availability of an online Mortgage Comparison Calculator that consumers can use to compare monthly mortgage payments and the amount of equity they will build for up to six types of fixed- and adjustable-rate mortgages. The calculator is one of several resources the Board provides to help consumers make informed decisions when shopping for home loans, and can be accessed at the following link: <https://www.federalreserve.gov/apps/mortcalc/>.

“We have created a tool that will allow consumers to look ahead to see how much equity they will build and what their mortgage payments might be three, five, seven or ten years down the road with different mortgage products,” said Federal Reserve Board Governor Randall S. Kroszner. The calculator will make it easy for consumers to compare monthly payments and equity accumulation among 30-year and 15-year fixed-rate mortgages, interest-only fixed-rate mortgages, adjustable-rate mortgages (ARMs), interest-only ARMs, and payment-option ARMs. “These comparisons should encourage more consumers to shop around and compare mortgage offers,” Kroszner said.

In addition to identifying the types of mortgages they are considering, consumers are asked to provide information on home value, primary mortgage amount, second mortgage amount (optional), private mortgage insurance (PMI) premium (optional), estimated interest rates, and expectations about future interest rates (for adjustable-rate mortgages).

The calculator estimates the loan balance in future years, home equity in future years, initial monthly payment (principal and interest), future monthly payments with no interest rate change, and future monthly payments with an interest rate change.

The user-friendly calculator includes a mortgage shopping worksheet, a glossary of mortgage terms, and links to the Board’s other consumer education resources on mortgages.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco’s website, at <http://www.frbsf.org/banking/letters>.

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