



THE ANAWISE REPORT

This report has been prepared for : Home Buyer

For Property: Dream House

Anyplace

CA

95000

Date : December 21, 2007

1 for analysis of home purchase

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Welcome to your personalized Anawise report. This report is divided into four main parts:



Section I: Mortgage Payment summary and amortization table



Section II: Personal Finance Summary



Section III: Equity Analysis - Scenario Analysis



Section IV: Tax Summary

Executive Summary

Thanks for choosing the Anawise Report. This section of the report highlights the key areas that you should focus on.

Monthly Mortgage Payments

First Mortgage principal+ interest payment : \$ 3,066

Second Mortgage principal+ interest payment : \$ 0

Other housing payment : \$ 575

Total Monthly housing payment * : \$ 3,641

* Includes mortgage payments, property tax, insurance and Other applicable monthly payments.

Estimated Federal Tax Benefit

Monthly Federal Tax Benefit for 2008 : \$351

Monthly Cash Flow

Balance less all monthly payments : \$ 3,559

Equity Analysis

Estimated equity at the end of 5 years.

Best Case Scenario	Most Likely Case	Worst Case Scenario
\$ 245,654	\$ 212,538	\$ 180,696



MONTHLY MORTGAGE PAYMENT SUMMARY

Topics covered in this section:

1. A breakdown of the monthly mortgage payments for first and second mortgage.
2. A breakdown of the total monthly housing payment.
3. Amortization tables for first and second mortgage.

INPUTS	
House Price	600,000
First Mortgage	
Loan Type	FRM
Loan Option	Principal & Interest
Loan Amount	\$ 480,000
Interest Rate (%)	6.60
Loan Term	30
Second Mortgage	
Loan Type	N/A
Loan Option	N/A
Loan Amount	
Interest Rate (%)	0.00
Loan Term	

RESULTS	
First Mortgage	
Monthly principal + Interest	\$ 3,066
Second Mortgage	
Monthly principal + interest	\$ 0
Monthly Housing Payments	
Total principal + interest	\$ 3,066
Property Tax	\$ 500
Home Owners Insurance	\$ 75
PMI	\$ 0
HOA Dues	\$ 0
Total Monthly Payment	\$ 3,641

Notes:

First Mortgage - Your monthly principal and interest payment will remain fixed for the entire length of the loan term. This loan program protects you from any increases in interest rates.



AMORTIZATION TABLE

First Mortgage Amortization Table

This table presents the decline in loan balance for the first mortgage over the term of the loan. This amortization table assumes that no additional payments are made towards the principal (loan).

Year	Starting	Total Payments	Total Interest	Total Principal	Ending Balance
1	\$ 480,000	\$ 36,792	\$ 31,596	\$ 5,196	\$ 474,804
2	\$ 474,804	\$ 73,584	\$ 62,765	\$ 10,819	\$ 469,181
3	\$ 469,181	\$ 110,376	\$ 93,551	\$ 16,825	\$ 463,175
4	\$ 463,175	\$ 147,168	\$ 123,929	\$ 23,239	\$ 456,761
5	\$ 456,761	\$ 183,960	\$ 153,870	\$ 30,090	\$ 449,910
6	\$ 449,910	\$ 220,752	\$ 183,346	\$ 37,406	\$ 442,594
7	\$ 442,594	\$ 257,544	\$ 212,323	\$ 45,221	\$ 434,779
8	\$ 434,779	\$ 294,336	\$ 240,769	\$ 53,567	\$ 426,433
9	\$ 426,433	\$ 331,128	\$ 268,647	\$ 62,481	\$ 417,519
10	\$ 417,519	\$ 367,920	\$ 295,919	\$ 72,001	\$ 407,999
11	\$ 407,999	\$ 404,712	\$ 322,543	\$ 82,169	\$ 397,831
12	\$ 397,831	\$ 441,504	\$ 348,475	\$ 93,029	\$ 386,971
13	\$ 386,971	\$ 478,296	\$ 373,669	\$ 104,627	\$ 375,373
14	\$ 375,373	\$ 515,088	\$ 398,073	\$ 117,015	\$ 362,985
15	\$ 362,985	\$ 551,880	\$ 421,635	\$ 130,245	\$ 349,755
16	\$ 349,755	\$ 588,672	\$ 444,296	\$ 144,376	\$ 335,624
17	\$ 335,624	\$ 625,464	\$ 465,996	\$ 159,468	\$ 320,532
18	\$ 320,532	\$ 662,256	\$ 486,670	\$ 175,586	\$ 304,414
19	\$ 304,414	\$ 699,048	\$ 506,246	\$ 192,802	\$ 287,198
20	\$ 287,198	\$ 735,840	\$ 524,652	\$ 211,188	\$ 268,812
21	\$ 268,812	\$ 772,632	\$ 541,807	\$ 230,825	\$ 249,175
22	\$ 249,175	\$ 809,424	\$ 557,625	\$ 251,799	\$ 228,201
23	\$ 228,201	\$ 846,216	\$ 572,017	\$ 274,199	\$ 205,801
24	\$ 205,801	\$ 883,008	\$ 584,885	\$ 298,123	\$ 181,877
25	\$ 181,877	\$ 919,800	\$ 596,125	\$ 323,675	\$ 156,325
26	\$ 156,325	\$ 956,592	\$ 605,626	\$ 350,966	\$ 129,034
27	\$ 129,034	\$ 993,384	\$ 613,271	\$ 380,113	\$ 99,887
28	\$ 99,887	\$ 1,030,176	\$ 618,934	\$ 411,242	\$ 68,758
29	\$ 68,758	\$ 1,066,968	\$ 622,478	\$ 444,490	\$ 35,510
30	\$ 35,510	\$ 1,103,760	\$ 623,760	\$ 480,000	\$ 0



PERSONAL FINANCIAL SUMMARY

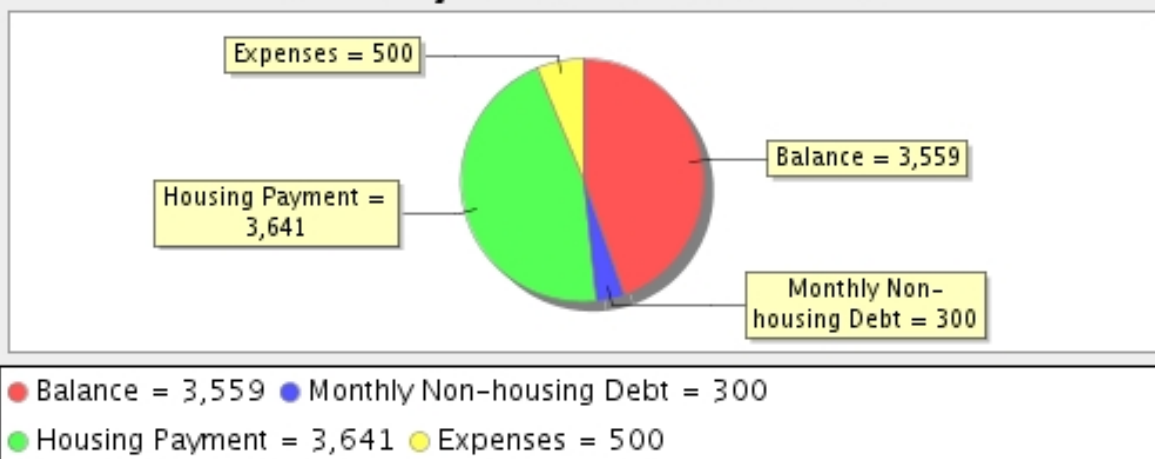
Topics covered in this section:

- 1) This section presents a monthly financial summary. You can determine the balance or savings after the housing payments, non – housing debt and other expenses have been paid.
- 2) It also calculates the debt to income and housing ratio – these ratios are commonly used by lenders to qualify you for a mortgage. A higher ratio suggests that your monthly payments (total debt or housing payments) are higher compared to your monthly gross income. A higher ratio may disqualify you for certain types of mortgages based on the guidelines adopted by the lenders.

Net Income	\$ 8,000
Monthly Non Housing	\$ 300
Housing Payments	\$ 3,641
Expenses	\$ 500
Savings/Balance	\$ 3,559

Debt to Income Ratio (%)	39	Good
Housing Ratio (%)	36	Fair

Monthly Financial Overview





EQUITY ANALYSIS - SCENARIO ANALYSIS

This section determines the projected equity in your home at the end of 5 years based on three inputs or scenarios of increase (decrease) in the price of your home. Equity is defined as the house price less loan balance at the end of 5 years (your input).

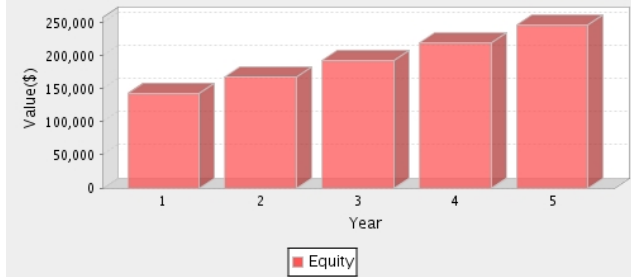


EQUITY ANALYSIS - SCENARIO ANALYSIS

Topics covered in this section:

- a) Scenario Analysis: This section presents the projection of the equity in your home over the duration of your stay based on three scenarios: best case, worst case, most likely scenario – based on your inputs.
- b) Equity projection based on average historical rate of home appreciation over duration of stay.

1) Best Case Scenario



Initial Home Price: \$ 600,000

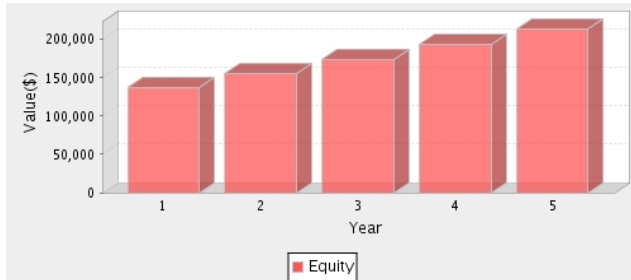
Rate of appreciation(%) : 3.00

Length of Stay: 5

Projected Home Price: \$ 695,564

Equity: \$ 245,654

2) Most-Likely Case Scenario



Initial Home Price: \$ 600,000

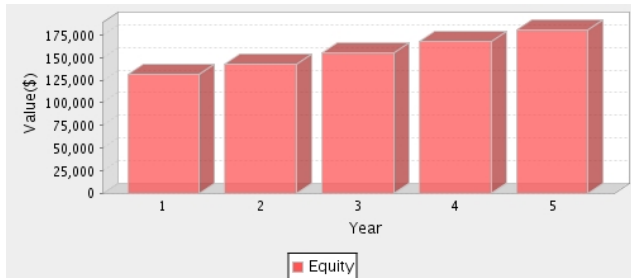
Rate of appreciation (%) : 2.00

Length of Stay: 5

Projected Home Price: \$ 662,448

Equity: \$ 212,538

3) Worst Case Scenario



Initial Home Price: \$ 600,000

Rate of appreciation (%) : 1.00

Length of Stay: 5

Projected Home Price: \$ 630,606

Equity: \$ 180,696



TAX SUMMARY

This section estimates the federal tax benefit of your home purchase. This is based on your inputs and the assumptions outlined in the Appendix section of this report.

Tax Summary for year 2008

Marginal tax rate table

Your estimated marginal tax rate if you standardize your deductions (%)	<u>25</u>
Your estimated marginal tax rate if you itemize your deductions (%)	<u>15</u>
Reduction in marginal tax due to purchase of home (%)	<u>10.0</u>

Results:

Estimated annual tax benefit for the year 2008 associated with the purchase of this home is \$ 4,214

Estimated monthly tax benefit is \$ 351

Notes:

1. The purchase of your home will offer you a tax benefit in 2008 because your itemized deductions exceed standardized deductions.
2. For 2008, the purchase of your home will lower your marginal tax rate.
3. Tax benefit associated with a purchase of a home is dependent on several factors including the size of your mortgage, mortgage interest payments, points you pay on the mortgage, property taxes, other itemized deductions, taxable income, date of purchase and PMI (if applicable). Refer to the 'Appendix' for other assumptions used in the above analysis.

APPENDIX

The appendix details the assumptions used in the creation of this report.

General Assumptions:

1. This report prepares a summary for fixed rate mortgage or FRMs only.
2. Loan terms over 30 years are excluded from this report.
3. Currently, the report is available only for those users who intend to purchase homes in 2007.
4. Use of the tax summary assumes that you are in agreement with IRS publication 936 for 2006. Since this publication is not available for the tax year 2007, the report assumes that the rules outlined in this document will remain consistent in 2007. Some exceptions apply.
5. These are described below in the following sections.
6. The tax summary is applicable only for a qualified first home or a second home (secured debt) as defined by IRS publication 936.
7. This summary is restricted only to qualified houses and or condominiums. Users are responsible for inputting information for their qualified second homes if they have or expect to have mortgages on their qualified existing

Mortgage Payment and Amortization:

1. The total loan amount i.e. sum of loan amounts for first mortgage and a second mortgage (if applicable) cannot exceed the price of the home inputted by the user.
2. Duration of stay in a home cannot exceed the loan term selected by the user for the first mortgage.
3. Negative amortization is not available as an option in this version of the AnaWise report.

Tax Analysis:

1. The term 'tax benefit of home purchase' is subjective. The summary defines the tax benefit of home purchase as the difference between the taxable incomes determined assuming standardized deductions and itemized deductions (based on user's chosen tax status for the year ending December 31st, 2007) at the applicable marginal tax rate calculated based on user input and assumptions noted below and in the software.
2. The report assumes that the inputs from the user are for the tax year ending December 31st, 2007.
3. The report assumes that user intend to purchase the home in 2007, and as such, makes assumptions on the deductions, limits, exemptions that may be available to folks based on their tax filing statuses in 2007. Such assumptions are based on publicly available data from the IRS and other reputable sources as of December 15th, 2006.
4. The impact of the AMT tax has been omitted from the analysis and results, and may potentially impact the results presented in this report.
5. State taxes have been omitted from this version of the software, and if applicable, will impact the potential tax benefit of home purchase as presented in the results. If no state taxes are applicable or if no itemization of deductions is permitted by your state then purchase of a home will offer no tax benefit (as defined above in # 1)
6. The tax analysis does not consider additional deductions available to people with certain disabilities as well as for folks 65 years of age or above.
7. The tax analysis does not consider the impact of grandfathered debt or is not applicable for folks who purchased their existing homes on or prior to Oct 13th, 1987 and had balances on mortgages for such homes as of the intended date of purchase of new home in the year 2007.
8. The algorithms used in this analysis may assume certain caps or constraints on revenues, expenses, deductions or other adjustments to their 1040 tax filings, even if none may be applicable as per the current tax code for year 2006. Such caps and constraints may potentially impact the results of the analysis.
9. Users unable to itemize mortgage interest that accrues on balances above the stipulated limits for home acquisition and home equity debts for the appropriate tax filing statuses (referred to as 'personal interest'), may be able to itemize them under different categories. Such personal interest has been omitted for the purposes of this analysis. It may potentially impact the results in this section of the report.
10. The assumptions and inputs used in the calculation of the federal tax benefit for tax year 2007 are repeated for the tax year 2008.

Equity Projections:

1. Equity is defined as the difference between the projected home price at the end of one's stay in a home (user input) less the sum of the principal balances on all the mortgages.
2. Equity projections are determined based on the inputs of the user i.e. best case, worst case, most likely case. They assume that the input is the average rate of appreciation/decline across the entire duration of stay in the home. For the historical projections scenario, the report assumes that the average rate of appreciation/decline for the periods selected by the user is the average rate of appreciation (decline) for the duration of the stay beginning with the purchase of home.
3. Equity projections based on scenario analysis (best case, worst case, most likely case) compute the expected equity only over the duration of stay in the home not to exceed the loan term of the first mortgage.