

**FEDERAL TRUTH IN LENDING  
DISCLOSURE STATEMENT  
Real Estate Loans**

Loan Center \_\_\_\_\_ No. \_\_\_\_\_ Loan No. \_\_\_\_\_

Principal Amount of Proposed Loan \_\_\_\_\_ Expected Funding Date \_\_\_\_\_

<b>ANNUAL PERCENTAGE RATE</b>	<b>FINANCE CHARGE</b>	<b>Amount Financed</b>	<b>Total of Payments</b>
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on Your behalf	The amount you will have paid after you have made all payments as scheduled.
%	\$	\$	\$

**1. Payment Schedule**

Your payment schedule will be:

Number Of Payments	Payments Are Due MONTHLY Beginning	Amount of Payments	Number Of Payments	Payments Are Due MONTHLY Beginning	Amount of Payments

**2. Security and Property Insurance.**

You are giving a security interest in property being purchased property located at \_\_\_\_\_

You may obtain property insurance from anyone you want that is acceptable to the creditor.

**3. Late Payment**

If a payment is not received by the Lender by its first banking day which is at least \_\_\_\_\_ days after the payment due date, you will be charged \_\_\_\_\_% of the payment.

**4. Prepayment.**

If you pay off early, you  will not  may have to pay a prepayment penalty.

If you prepay your loan on other than the regular installment date, you may be assessed interest charges until the end of the month.

You may be entitled to a refund of the mortgage insurance premium from HUD

You  will not  may be entitled to a refund of part of the finance charge.

**5. Assumption Policy.**

- Someone buying your home cannot assume the remainder of your loan on its original terms
- Someone buying your home may be allowed to assume the remainder of your loan on its original terms, subject to certain conditions stated in your loan documents.

**6. Variable Rate.**

Your loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to you earlier.

**7. Required Deposit.**

The annual percentage rate does not take into account your required deposit

**8.** See your loan documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, prepayment refunds and penalties.

**9.** Certain Security Interest Charges. PLEASE SEE THE GOOD FAITH ESTIMATE AND HUD-1 FOR THESE FEES.

Recording/filing	\$ _____	\$ _____
Lien release recording/filing	\$ _____	\$ _____

**10.** The loan applied for will not be secured by an contractual lien except that resulting from the mortgage or deed of trust covering the security described in the Security and Property Insurance Section.

\*\* The payment amount does not include a tax and insurance reserve.

## **DEFINITION OF TRUTH-IN-LENDING TERMS**

### **ANNUAL PERCENTAGE RATE**

This is not the Note rate for which the borrower applied. The Annual Percentage Rate (APR) is the cost of the loan in percentage terms taking into account various loan charges of which interest is only one such charge. Other charges which are used in calculation of the Annual Percentage Rate are Private Mortgage Insurance or FHA Mortgage Insurance Premium (when applicable) and Prepaid Finance Charges (loan discount, origination fees, prepaid interest and other credit costs). The APR is calculated by spreading these charges over the life of the loan which results in a rate higher than the interest rate shown on your Mortgage/Deed of Trust Note. If interest was the only Finance Charge, then the interest rate and the Annual Percentage Rate would be the same.

### **PREPAID FINANCE CHARGES**

Prepaid Finance Charges are certain charges made in connection with the loan and which must be paid upon the close of the loan. These charges are defined by the Federal Reserve Board in Regulation Z and the charges must be paid by the borrower. Non-inclusive examples of such charges are: Loan origination fee, "Points" or Discount, Private Mortgage Insurance or FHA Mortgage Insurance, Tax Service Fee. Some loan charges are specifically excluded from the Prepaid Finance Charge such as appraisal fees and credit report fees.

Prepaid Finance Charges are totaled and then subtracted from the Loan Amount (the face amount of the Deed of Trust/Mortgage Note). The net figure is the Amount Financed as explained below.

### **FINANCE CHARGE**

The amount of interest, prepaid finance charge and certain insurance premiums (if any) which the borrower will be expected to pay over the life of the loan.

### **AMOUNT FINANCED**

The Amount Financed is the loan amount applied for less the prepaid finance charges. Prepaid finance charges can be found on the Good Faith Estimate. For example if the borrower's note is for \$100,000 and the Prepaid Finance Charges total \$5,000, the Amount Financed would be \$95,000. The Amount Financed is the figure on which the Annual Percentage Rate is based.

### **TOTAL OF PAYMENTS**

This figure represents the total of all payments made toward principal, interest and mortgage insurance (if applicable).

### **PAYMENT SCHEDULE**

The dollar figures in the Payment Schedule represent principal, interest, plus Private Mortgage Insurance (if applicable). These figures will not reflect taxes and insurance escrows or any temporary buydown payments contributed by the seller.