

# Action Training

## Discussion Only Model Mortgage Disclosure

You are borrowing \$ \_\_\_\_\_  
 at an interest rate of % \_\_\_\_\_  
 You must make \_\_\_\_\_ monthly payments of \$ \_\_\_\_\_ to fully amortize your loan.  
 To borrow this amount, you must pay \$ \_\_\_\_\_ in up-front costs  
 resulting in your effective use of \$ \_\_\_\_\_ This is the "amount financed."  
 You must also pay \$ \_\_\_\_\_ in interest over the life of the loan.  
 The total of up-front costs and interest is \$ \_\_\_\_\_ This is your total finance charge.  
 This results in an Annual Percentage Rate of \$ \_\_\_\_\_

The schedule for your payments is:

Number of Payments	Amount of Payments	When Payments Are Due

At the maturity of your loan, you will have paid a total of \$ \_\_\_\_\_, your total of payments.

Your payment is comprised of: \$ \_\_\_\_\_ to principal and interest.  
 \$ \_\_\_\_\_ paid into your escrow account for taxes.  
 \$ \_\_\_\_\_ paid into your escrow account for insurance.  
 \$ \_\_\_\_\_ for mortgage insurance.

Your loan has a variable rate feature. Disclosures about the variable rate have been given to you earlier. All numbers in this disclosure are based on the current index rate and the terms of your loan.

Your loan has an annual rate cap of \_\_\_\_\_ % and a life-of-loan rate limit of \_\_\_\_\_ %.

If you choose a low-payment or skip-payment option, the principal amount of your loan may increase. Your interest rate is based on risk analysis and your credit score of \_\_\_\_\_. Ask your loan officer for details. You are giving a security interest in: \_\_\_\_\_

You must pay filing fees of \$ \_\_\_\_\_ or non-filing insurance of \$ \_\_\_\_\_.

If a payment is late, you will be charged \$ \_\_\_\_\_ / \_\_\_\_\_ % of the payment.

If you pay off this loan in the next \_\_\_\_\_ years, you may/will not have to pay a penalty.

If you pay off early, you may/will not be entitled to a refund of part of the finance charge.

Your loan cannot be assumed by a purchaser of your property.

Your property:

\_\_\_\_\_ is not located in a high risk flood hazard zone.

\_\_\_\_\_ is located in a high risk flood hazard zone. You must have proof of flood insurance at settlement.

The servicing of your loan may be transferred. You will be notified in advance if this occurs. The notice will include the address and contact information for the new loan servicer.

Itemization of the Amount Financed:

\$ \_\_\_\_\_ Amount given to you directly  
 \$ \_\_\_\_\_ Amount paid to \_\_\_\_\_ to pay off your prior mortgage.  
 \$ \_\_\_\_\_ Prepaid finance charges

Itemization of other charges (paid to third parties):

\$ \_\_\_\_\_ to public officials to perfect security  
 \$ \_\_\_\_\_

Other charges paid at or before settlement:

\$ \_\_\_\_\_ Application fee  
 \$ \_\_\_\_\_ Document preparation  
 \$ \_\_\_\_\_ Credit report  
 \$ \_\_\_\_\_ Property appraisal  
 \$ \_\_\_\_\_ Title search  
 \$ \_\_\_\_\_ Title insurance