

# Truth in Lending Disclosure

This document summarizes the terms and conditions of your mortgage.

Review the terms carefully to make sure that you are getting the loan you signed up for! The numbers and features should match the Truth In Lending disclosure that you received when you applied for your mortgage. If the numbers are different, ask your lender why.

## Breaking down the form

1. This table lists the payments you will have to make. If you have an Adjustable Rate Mortgage (ARM) or a balloon loan, it is especially important to understand how your payments will change over time.
2. Check to see if this box is checked. If this box is checked (demand feature), this would allow the lender to demand repayment of the principal and interest amount of the loan for any reason. Be sure to check your mortgage contract (Deed of Trust) for any demand features and discuss them carefully before signing up for it.

Proprietary form used in the consumer testing

FEDERAL TRUTH-IN LENDING DISCLOSURE STATEMENT  
For use with Fixed-Rate, GPM, Balloon Mortgages,  
Adjustable or Variable Rate Loans

Date: 10/14/09  
Loan No.: 20497  
Borrowers: James and Clara Borrower  
Property Location: 123 Your Street, Hometown, VA 22189

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
6.88 %	\$ 129,059.36	\$ 186,147.50	\$ 315,206.86

You have the right to receive in this time an acknowledgment of the Amount Financed.  
 I want an itemization  I do not want an itemization

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
118	\$ 1,049.11	Monthly beginning 12/01/09 and ending 10/01/15
1	\$ 190,362.24	11/01/15

Variable Rate:  This loan has a Variable Rate Feature. Variable Rate Disclosures have been provided to you earlier.

This obligation has a demand feature.  
Insurance: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost. No such insurance will be in force until you have completed an application, the insurance company has issued the policy, the effective date of that policy has arrived and the required premium has been paid.

Type	Premium	Term	Signature
Credit Life	\$ 3,900.00	10 years	I want to apply for credit life insurance. SIGNATURE: _____
Credit Disability	\$ 2,330.00	10 years	I want to apply for credit disability insurance. SIGNATURE: _____
Credit Life and Credit Disability	\$ _____	10 years	I want to apply for credit life and disability insurance. SIGNATURE: _____

You may obtain property insurance from anyone you want that is acceptable to this institution. If you get the insurance from \_\_\_\_\_ you will pay \$ \_\_\_\_\_ for a term of \_\_\_\_\_.

Security: You are giving a security interest in the property being purchased.  
 the property located at 123 Your St., Hometown, VA 22189

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

Prepayment: If you pay off early, you  
 may \_\_\_\_\_ will not have to pay a penalty  
 may \_\_\_\_\_ will not be entitled to a refund of part of the finance charge.

Assumption: Someone buying your home  
 cannot assume the remainder of the mortgage on the original terms.  
 may, subject to conditions, be allowed to assume the remainder of the mortgage on the original terms.  
A deposit balance  is  is not required. The Annual Percentage Rate does not take into account your required deposit. See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.  
CLOSING ON ESTIMATE  
I/We hereby acknowledge receipt of this disclosure.

Prepared by: \_\_\_\_\_ DATE: \_\_\_\_\_  
INITIAL: \_\_\_\_\_  
TITLE: \_\_\_\_\_

[Get a copy of the Truth in Lending Disclosure](#)

3. This section defines what happens if you want to sell your home, refinance, or otherwise pay your loan off early. If the box is checked indicating that you may have to pay a penalty, make sure you understand what circumstances will trigger a penalty and how much the penalty will be. In most cases, if you pay off your loan early, you will not be entitled to a refund of the interest and finance charges already paid. If the box is checked

indicating that you may be entitled to a refund, make sure to ask your lender in what circumstances you will be eligible for a refund.

4. This section defines what happens when someone else eventually buys your home. In most cases, the buyer will need to get a new mortgage. In some cases, the buyer may

be able to “assume” your mortgage and simply take over making the payments.

5. Your signature on this form does not mean that you agree with this information, it just means that you have received it. If you have questions about the information on this form, contact your lender right away.