

DECEMBER 2021

Mortgage Servicing Sample Forms

Sample Form H-4(D)(2) – Updated Form

This is a sample of a completed Subsequent Interest Rate Adjustment Notice provided in Appendix H-4(D)(2) of Regulation Z. This is the updated form that removes references to the LIBOR index or includes other corrections made in the [LIBOR Transition Rule](#).

This form is effective on **October 1, 2023**. However, optional early reliance begins on **April 1, 2022**. From **April 1, 2022, through September 30, 2023**, covered entities may rely on this version of the sample form (or one substantially similar to this form) in addition to the [Legacy Sample Form](#), to be deemed in compliance with the content and format requirements for the notices, as discussed in the [Mortgage Servicing Rule](#). **On or after October 1, 2023**, covered entities may only rely on this version of the sample form.



July 20, 2022

Jordan and Dana Smith
4700 Jones Drive
Memphis, TN 38109

Springside Mortgage
1234 Main St
Memphis, TN 31801

Changes to Your Mortgage Interest Rate and Payments on September 1, 2022

Under the terms of your Adjustable-Rate Mortgage (ARM), you had a three-year period during which your interest rate stayed the same. That period ends on September 1, 2022, so on that date your interest rate and mortgage payment change. After that, your interest rate may change every six months for the rest of your loan term.

	Current Rate and Monthly Payment	New Rate and Monthly Payment
Interest Rate	4.25%	6.25%
Total Monthly Payment	\$983.88	\$1,211.81 (due October 1, 2022)

Interest Rate: We calculated your interest rate by taking a published "index rate" and adding a certain number of percentage points, called the "margin." Under your loan agreement, your index rate is the 30-day Average SOFR (SOFR) and your margin is 2.75%. The SOFR index is published daily on the website of the Federal Reserve Bank of New York.

Rate Limits: Your rate cannot go higher than 11.625% over the life of the loan. Your rate can change every six months by no more than 1.00%.

New Interest Rate and Monthly Payment: The table above shows your new interest rate and new monthly payment. Your new payment is based on the SOFR index, your margin, your loan balance of \$189,440, and your remaining loan term of 324 months.

Prepayment Penalty: Keep in mind that if you pay off your loan, refinance or sell your home before September 1, 2022, you could be charged a penalty. Contact Springside Mortgage at (800) 765-4321 for more information, such as the maximum amount of the penalty you could be charged.