

Sample FTC Prototype Disclosure Form

Mortgage Loan Offer

FS Mortgage Company
456 Main Street
Mortgagetown, Virginia 22189
(703) 555-2767

Page 1 of 3

Borrower: James and Clara Borrower
Property Location: 123 Your Street, Hometown, VA 22189

Offer Date: October 14, 2005

This page provides a summary of your loan, our charges for the loan, and your loan payments. See pages 2 and 3 for important details on each of these items.

YOUR LOAN

Loan Type Summary	<u>10 year interest-only balloon</u>
Loan Amount	\$ 189,313.43
Loan Term	10 years (120 monthly payments)

OUR LOAN CHARGES

Interest Rate	6.65%	Fixed rate
Up-Front Charges	\$ 7,658.43	Total settlement charges
	\$ 6,230.00	Charges for optional products and services
	----- \$ 13,888.43	Total up-front charges
Monthly-Billed Charges	None	
Annual Percentage Rate (APR)	6.88%	The cost of credit, including both interest payments and other finance charges, expressed as an annual rate.

YOUR LOAN PAYMENTS

Cash Due at Closing	\$ 0.00	
Monthly Payments	\$ 1,254.95	Payments number 1–119 (Includes required payments for property taxes and hazard insurance.)
Balloon Payment	\$ 190,568.38	Payment number 120 – You will have to pay this amount at the end of the 10 year loan term.

PENALTIES AND LATE FEES

Prepayment Penalty	None
Late Fee	A 5% late fee will be charged on payments more than 7 days late.

This page and the next provide explanations and important details about your loan amount, our charges for the loan, and your loan payments. See page 1 for a summary of these items.

LOAN AMOUNT DETAILS

Loan Amount	\$ 150,000.00	Refinance current mortgage loan
	\$ 20,000.00	Cash paid to borrower
	\$ 5,425.00	Consolidation of borrower's other debts
	\$ 7,658.43	Financed settlement charges
	\$ 6,230.00	Financed charges for optional products and services

	\$ 189,313.43	Total Loan Amount

OPTIONAL CHARGES DETAILS

Optional Products and Services Charges	\$ 3,900.00	Credit life insurance
	\$ 2,330.00	Credit disability insurance

	\$ 6,230.00	Total Optional Product and Services Charges

These products and services are NOT required for the loan. Tell your loan provider if you do not wish to purchase them and make sure that you obtain a revised offer sheet with these charges removed.

CASH DUE AT CLOSING DETAILS

Cash Due at Closing	\$	0.00
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MONTHLY PAYMENT DETAILS

Monthly Payment	<u>Itemization of initial monthly payment</u>	
	\$ 1,049.11	Principal and interest
	\$ 145.83	Property tax escrow
	\$ 60.00	Hazard (homeowners) insurance
	\$ 0.00	Private mortgage insurance (PMI)
	\$ 0.00	Monthly-billed optional products or services

	\$ 1,254.95	Total initial monthly payment

Taxes and Insurance Property taxes and hazard insurance ARE included in your monthly loan payment.

SETTLEMENT CHARGES DETAILS

This page lists the settlement services included in the settlement charges shown on page 1. ALL of the settlement services you need to close the loan are included.

Settlement Services Package	\$5,230.00	This package includes the following services:
	<u>Origination and lender services</u> Loan origination Appraisal Credit report Lender's property survey Lender's property inspection Pest inspection <u>Government taxes and fees</u> County recording fee	<u>Title services</u> Settlement agent Title search and examination Title document preparation Lender's title insurance Attorney services Notary fee State and local tax stamps

Interest Charge for Partial Month	\$ 275.93	This charge is for the daily interest charges from the day of your settlement until the end of the month. For this loan this amount is \$ <u>34.4914</u> per day for <u>8</u> days (if your closing date is <u>10/24/05</u>).
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Prepaid Items	\$ 0.00 \$ 720.00	Property taxes (<u>0</u> months at \$ _____ per month) Hazard insurance (<u>12</u> months at \$ <u>60.00</u> per month)
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Reserves Deposited with the Lender	\$1,312.50 \$ 120.00	Property taxes (<u>9</u> months at \$ <u>145.83</u> per month) Hazard insurance (<u>2</u> months at \$ <u>60.00</u> per month)
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Total Settlement Charges	\$7,658.43	Total Settlement Charges
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HOW TO PROTECT YOURSELF

COMPARISON SHOP TO FIND THE BEST DEAL — The lender or broker providing this loan is not necessarily shopping on your behalf or providing you with the lowest cost loan.

DO NOT RELY ON ORAL PROMISES TO CHANGE THESE TERMS — Obtain all changes in writing.

SAVE THIS OFFER SHEET AND COMPARE TO DOCUMENTS AT CLOSING — Before you sign any papers at your loan closing (loan settlement), make sure that the costs have not been increased.

Federal law requires that this offer sheet be provided to the borrower within three (3) business days after the borrower has applied for a loan. If the loan terms change prior to acceptance by the borrower, a new offer sheet must be provided. Notify the Federal Trade Commission (FTC) if the lender does not abide by the terms set forth in this offer or does not provide this offer sheet within three days of application: Federal Trade Commission (FTC), 600 Pennsylvania Avenue, N.W., Washington D.C., 20580, telephone (877) FTC-HELP (382-4357), web site www.ftc.gov.