

****IMPORTANT INFORMATION ABOUT FIXED RATE MORTGAGE LOAN****

GENERAL DESCRIPTION OF FIXED RATE MORTGAGE LOAN

The loan offered by your lender is a fixed rate mortgage loan. The interest rate will remain the same throughout the term of the loan.

KEY TERMS OF YOUR LENDER’S FIXED RATE MORTGAGE LOAN

The following is a description of basic features contained in the type of Fixed Rate mortgage loan selected by you. This description is intended for reference purposed only. Important information relating specifically to your loan will be contained in the loan contract and security instrument, which alone will establish the rights under this loan plan.

MAXIMUM LOAN TERM..... 30 Other
 POSSIBILITY OF INCREASING LOAN BALANCE..... No (fully amortized)
 POSSIBILITY OF EXTENDING LOAN TERM..... No

It should be noted that you and your Lender will become bound by the terms of the loan contract upon your signing it and that even though, subsequently, either party may request modification of the contract, neither party is bound to agree to such a request. Since the loan contract and security instrument establish the rights of the borrower(s), you should become familiar with and understand the provisions of these documents.

HOW YOUR FIXED RATE MORTGAGE LOAN WILL WORK

INTEREST RATE

The Interest Rate offered by your Lender will be established and disclosed to you on or before the date of loan settlement based upon the then-current market conditions.

MONTHLY PAYMENT

The monthly Principal and Interest payments you will be required to pay on your loan will be based on the Interest Rate established on or before the date of loan settlement.

AMORTIZATION

When the loan documents are drawn, the Monthly Payments (principal and interest) are calculated so that they will completely repay the entire loan amount by the due date. This is referred to as “amortizing” the loan.

PREPAYMENT PENALTY

You may prepay your loan in whole or in part with NO penalty.

LATE CHARGE

If the scheduled monthly payment is not received by the end of the 15 days after the date it is due, you will be required to pay a late charge to the note holder. The amount of the charge will be the lesser of 5% of your overdue principal and interest payment amount or the maximum amount allowed per state law.

ESCROW/IMPOUND ACCOUNT

In addition to the monthly required principal and interest amount due, the loan documents may contain provisions that would required you to pay monthly amounts to an impound/escrow account. Each month, you may be obligated to pay an amount equal to one-twelfth (1/12) of the annual property taxes, assessments, homeowners insurance and other charges related to the property, the purpose of which is to ensure that sufficient funds will be available to pay these charges as they become due. Your impound/escrow account will be reviewed periodically. If, at any time, a surplus of funds exists, you will be entitled to a refund of that surplus amount. This refund may be used as a credit towards future regular monthly payments or sent as a check payable to you. If, upon review, the impound account has insufficient funds to meet payments due or coming due, the lender may advance funds to make those payments but will required that you cure the deficiency with a lump-sum payment or increase your monthly impound payment amount to have sufficient funds available in the future. In the case of such a deficiency, the lender will send you written notification of the deficiency including instructions on how you must cure the deficiency amount.

Failure to make these payments is a default under the terms of the loan documents and may result in the lender declaring the loan immediately due and payable in full, or in the forced sale of the property.

SALE OR TRANSFER OF YOUR HOME

If you sale or transfer your home to someone else without the Lender’s prior written consent (with certain exceptions set forth in the loan documents), the ‘Due-on-Sale’ clause in your loan documents provides that all sums (including the principal balance) owed under the loan documents could become immediately due and payable.

THE INFORMATION SUPPLIED HEREIN IS FOR COMPARISON PURPOSES ONLY AND SHALL NOT BE BINDING IN ANY WAY ON YOUR LENDER.

“THIS IS NOT A LOAN COMMITMENT”.

YOU MUST READ AND UNDERSTAND ALL OF YOUR LOAN DOCUMENTS TO UNDERSTAND THE TERMS OF YOUR LOAN.

 CPA Mortgage Services Date

 Borrower Date

 Borrower Date

 Borrower Date

 Borrower Date