

## H-19(C) Mortgage with Negative Amortization Model Form

(Name of Creditor)  
(Loan Originator Unique Identifier)

### LOAN SUMMARY

Loan Amount	\$ _____
Loan Term:	(length of term)
Loan Type and Features:	<b>[Fixed Rate Mortgage][Step-Rate Mortgage][Adjustable Rate Mortgage]:</b> rate [is fixed for first (period), then] adjusts every (frequency).] • [includes [Step-Payments][Payment Options][Negative Amortization]]
Total Settlement Charges:	\$ _____ • [\$ _____ of these charges are already included in your loan amount above.] • [This total does not include a down payment. See your Good Faith Estimate or HUD-1 for details.]
[Prepayment Penalty:	Up to \$ _____ if you pay off your loan, refinance, or sell this property within (period).]

### ANNUAL PERCENTAGE RATE (APR)

Overall cost of this loan,  
including interest and  
settlement charges:

\_\_\_\_\_ % APR



**How does this loan compare?** For the week of (date), the average APR on similar [but ]conforming loans offered to applicants with excellent credit was \_\_\_\_%. Today, an APR of \_\_\_\_% or above is considered high cost and is usually available to applicants with poor credit history.

**How much could I save by lowering my APR?** For this loan, a \_\_\_\_% reduction in the APR could save you an average of \$ \_\_\_\_\_ each month.

### INTEREST RATE AND PAYMENT SUMMARY

[This loan offers you several monthly payment options. The table below shows you what your payments would be under two of these options **if the interest rate reached its maximum of \_\_\_\_%** in the (period) of this loan.]

[All payments shown in the table include \$ \_\_\_\_\_ for estimated taxes and insurance [(escrow)].

	(Date) [(period) [intro]]	[(Date) (1st adjustment)]	[(Date) (2nd adjustment)]	(Date) + every (period) after
Maximum Interest Rate	____% [(intro rate)]	[____%]	[____%]	____% (max. ever)
<b>Full Payment Option</b> Monthly payments cover all principal and interest.	\$ _____	[\$ _____]	[\$ _____]	\$ _____
<b>Minimum Payment Option</b> Initial monthly payments cover no principal and only some interest and increase your loan amount.	\$ _____	[\$ _____]	[\$ _____]	\$ _____

You will borrow an additional \$ \_\_\_\_\_ by (date)  
if you make only minimum payments on this loan.

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## KEY QUESTIONS ABOUT RISK

Can my interest rate increase?	[No.] [YES. Your interest rate can increase ( <i>frequency</i> ) beginning in ( <i>date</i> ).]
Can my monthly payment increase?	[No.] [YES. Your [full] payment can increase beginning in ( <i>date</i> ). [Your minimum payment can increase beginning in ( <i>date</i> ).]]
Could I owe a prepayment penalty?	[No.][YES. If you pay off your loan, refinance, or sell your home within ( <i>period</i> ) you could pay a penalty of up to \$____.]

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## MORE INFORMATION ABOUT YOUR PAYMENTS

<b>Rate Calculation</b>	[When the ( <i>length of time</i> ) introductory period ends,] your rate will be determined ( <i>frequency</i> ) based on the ( <i>identification of index</i> ) (the market rate) plus ____%.]
<b>[Rate Change Limits]</b>	[When the ( <i>period</i> ) introductory period ends,] your interest rate can increase up to [____% from ( <i>period</i> ) to the next, and no more than ____% total][a maximum of ____%] for the life of the loan[, which would result in a maximum ever rate of ____%].]
<b>[Payment Change Limits]</b>	Your minimum payments due [will increase][cannot increase more than] ____% each ( <i>period</i> ) until ( <i>description of recast event</i> ). [When this happens][Beginning in ( <i>period</i> )], you must make full monthly payments that cover all principal and interest owed on the loan.]
<b>Escrow</b>	[An escrow account is required for property taxes and insurance (such as homeowner's insurance). Your escrow payment is an estimate and can change at any time. See your Good Faith Estimate or HUD-1 form for more details.][An escrow account is not required on this loan. You must pay your property taxes, homeowners, and other insurance on your own.]
<b>[[Private ]Mortgage Insurance</b>	[Private ]Mortgage Insurance [(PMI)] is required for this loan. It is included in your escrow.]
<b>Total Payments</b>	If [the market rate did not change and] you made all payments as scheduled, you would make ( <i>number</i> ) payments totaling \$____ [, including estimated escrow]. Of this amount, \$____ would go to interest and settlement charges. This amount, and your amount financed of \$____, are used to calculate your APR.

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- ➔ **You have no obligation to accept this loan.** [Your signature below only confirms that you have received this form.]
  - ➔ **If you are unable to make the payments on this loan, you could lose your home.** There is no guarantee that you will be able to refinance to lower your rate and payments.
  - ➔ [If you borrow more than your home is worth, the interest on the extra amount may not be deductible for federal income tax purposes. Consult a tax advisor to find out whether the interest you pay is deductible.]
  - ➔ **If you do not understand any part of this form, ask questions.** For more information, go to (*Web site of the Federal Reserve Board*).