

## H-19(E) Fixed Rate Mortgage with Interest Only Sample

Jane Smith  
1234 Main Street  
Anytown, ST 12345

February 26, 2009  
XXX Bank  
Loan Officer No. 12345-1234

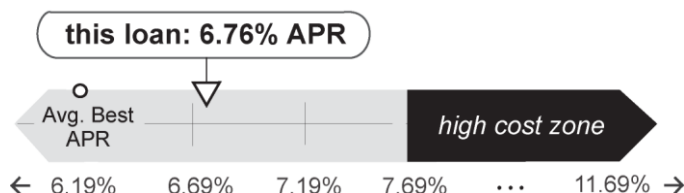
### LOAN SUMMARY

Loan Amount:	<b>\$200,000.00</b>
Loan Term:	<b>30 years</b>
Loan Type and Features:	<b>Fixed Rate Mortgage</b> <ul style="list-style-type: none"><li>• Includes interest-only payments</li></ul>
Total Settlement Charges:	<b>\$7,654.00</b> <ul style="list-style-type: none"><li>• This total does not include a down payment. See your Good Faith Estimate or HUD-1 for details.</li></ul>

### ANNUAL PERCENTAGE RATE (APR)

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

**6.76% APR**



**How does this loan compare?** For the week of February 23, 2009, the average APR on similar conforming loans offered to applicants with excellent credit was **6.19%**. Today, an APR of **7.69%** or above is considered high cost and is usually offered to applicants with poor credit.

**How much could I save by lowering my APR?** For this loan, a 1% reduction in the APR could save you an average of **\$132 each month**.

### INTEREST RATE AND PAYMENT SUMMARY

	<b>INTRODUCTORY Rate &amp; Monthly Payment (for first 10 years)</b>	<b>MAXIMUM EVER (as early as 2019)</b>
Interest Rate	<b>6.50%</b>	<b>6.50%</b>
Principal Payment	<b>- none -</b>	\$407.82
Interest Payment	\$1,083.33	\$1,083.33
Est. Taxes + Insurance (Escrow)	\$279.00	\$279.00
<b>Total Est. Monthly Payment</b>	<b>\$1,362. 33</b>	<b>\$1,770.15</b>

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## KEY QUESTIONS ABOUT RISK

Can my interest rate increase?	No.
Can my monthly payment increase?	<b>YES.</b> Your payment can increase beginning in April 2019.
Will any of my monthly payments be interest-only?	<b>YES.</b> Your monthly payments for the first 10 years of the loan cover the interest you owe each month, but <b>none</b> of the principal. Making these monthly payments means your loan amount will stay the same and you will be no closer to having it paid off.
Could I owe a prepayment penalty?	No.

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## MORE INFORMATION ABOUT YOUR PAYMENTS

<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.
<b>Total Payments</b>	If you made all payments as scheduled, you would make 360 payments totaling \$588,313.89, including estimated escrow. Of this amount, \$293,757.89 would go to interest and settlement charges. This amount, and your amount financed of \$194,116.00, 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 do not understand any part of this form, ask questions.** For more information, go to [www.xxx.gov](http://www.xxx.gov).

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Applicant's Signature

Date