

H-19(B) Adjustable-Rate Mortgage Model Form

(Name of Creditor)
(Loan Originator Unique Identifier)

LOAN SUMMARY

Loan Amount:	\$ _____
Loan Term:	(length of term)
Loan Type and Features:	[Step-Rate Mortgage][Adjustable Rate Mortgage]: rate [is fixed for first (<i>period</i>), then] adjusts every (<i>frequency</i>).] <ul style="list-style-type: none"> • [Includes [interest-only payments][step-payments]]
Total Settlement Charges:	\$ _____ <ul style="list-style-type: none"> • [\$ _____ 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 (<i>period</i>).]

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

	INTRODUCTORY Rate & Monthly Payment (for first (<i>period</i>))	[MAXIMUM at FIRST ADJUSTMENT (<i>date</i>)]	MAXIMUM EVER (as early as (<i>date</i>))
Interest Rate	____%	[__%]	____%
Principal + Interest Payment	\$ _____	[\$ _____]	\$ _____
Est. Taxes + Insurance [(Escrow)] • [Includes [Private] Mortgage Insurance]	[\$ _____]	[\$ _____]	[\$ _____]
Total Est. Monthly Payment	\$ _____	[\$ _____]	\$ _____

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 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 \$____.]

MORE INFORMATION ABOUT YOUR PAYMENTS

Rate Calculation	[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 ____%.]
[Rate Change Limits]	[When the (<i>length of time</i>) introductory period ends,] your interest rate can increase up to ____% from (<i>period</i>) to the next, and no more than ____% total for the life of the loan, which would result in a maximum ever rate of ____%.]
Escrow	[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.]
[[Private]Mortgage Insurance]	[[Private] Mortgage Insurance [(PMI)] is required for this loan. It is included in your escrow.]
Total Payments	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*).