

CSBS RESIDENTIAL MORTGAGE EARLY DISCLOSURE FORM

READ THIS FORM CAREFULLY IN ITS ENTIRETY – THERE ARE TWO PAGES TO THIS FORM

PROPOSED TERMS AND COSTS OF YOUR MORTGAGE LOAN

This disclosure is provided in addition to specific disclosures that may be required under federal and state law. The intent of this disclosure is to provide you with a simple, clear explanation of your proposed loan terms and costs. Additionally, by following the steps outlined at the bottom of this document, you may compare the proposed terms to the final terms at closing.

Loan Amount	Loan Type	Rate	Payment	APR
<u>\$100,000.00</u>	<u>30 yr Adjustable</u>	<u>7%</u> See notice 1 below	<u>\$925.30</u> See notice 2 below	<u>9.28%</u>

THE FOLLOWING COSTS ARE PROPOSED ON THIS LOAN

Total Estimated Fees To Loan Origination Company	\$ 2,500.00
Total Estimated Fees To Lender Making or Funding Loan	\$ 1,300.00
Total Estimated Fees To All Other Service Providers	\$ 1,800.00
Total Fees We Estimate You Will Incur	\$ <u>5,600.00</u>

THE FOLLOWING TERMS APPLY TO YOUR LOAN

- The rate shown above may change prior to closing or will not change for ____ days from the date of this disclosure. If this box is checked , you are signing a loan that DOES NOT have a FIXED RATE OF INTEREST. This means that your interest rate is subject to change, either upward or downward, more likely upward. Your rate may adjust upwards by 1.0 % every 12 month(s) until it reaches 13.0 %. This rate adjustment may occur regardless of any other factors.
- The payment above includes \$ 260.00 of Taxes Property insurance Mortgage insurance Other. These amounts, known as monthly reserves, are subject to change on a periodic basis. Your loan payment plus the monthly reserves equals the amount you are responsible to pay. The highest your payment plus today's monthly reserves can reach is \$ 1,339.71, and the earliest it can reach this is June 1, 2013. Refer to the back of this disclosure for more information on monthly payments and your loan.
- Your home is at risk. If you do not make the required payments on this loan you could lose your home.
- \$ 5,000.00 of the above costs are included in your loan amount.
\$ 600.00 of the above costs will be paid by you at closing.
- Prepayment Penalty. Your loan does does not contain an additional penalty charge you must pay the lender if you pay your loan off early. The terms of this penalty are written in your note. This penalty may be significant and must be paid by you in the event you refinance the loan or make significant additional payments to principal prior to June 30, 2010. Refer to the back of this disclosure for important information on prepayment penalty.

PROPOSED TERMS VERSUS FINAL TERMS

The terms provided to you in this disclosure are estimates. However, if any of these estimates increase for any reason prior to the signing of closing papers, the below named company will provide you with revised proposed terms that match your closing terms at least three days before the date of signing closing papers.

This disclosure was provided for the borrower's review by _____ (Representative) of _____ (Company), on _____ (Date). License number _____.

There are two pages to this form. You should receive this form within 3 days of the date of your application for a mortgage loan. However, for your own protection do not date this form any other dates than the date actually received by you. Do not leave the date section blank. Do not sign unless you have read and understand both sides of this form.

Borrower Date

Borrower Date

**IMPORTANT ADDITIONAL INFORMATION ABOUT YOUR LOAN
READ CAREFULLY**

How to compare loan terms: The Loan Amount, Loan Type, Rate, Rate Adjustment, and Note Payment should be compared to the Note you sign at closing. The costs identified on page 1 of this form are derived from a disclosure known as a Good Faith Estimate. You should compare the costs on this form to the Good Faith Estimate before signing either disclosure. You should compare the costs on this disclosure, or a revised version of this disclosure, to the HUD Settlement Statement you will receive at closing. **You are not obligated to take this loan.**

Comparing Monthly Payments for Refinances: If you are refinancing your existing loan your monthly payments will change as follows:

Current principal and interest: \$ 705.93	Proposed principal and interest: \$ 665.30
Current monthly reserves: <u>260.00</u>	Proposed monthly reserves: <u>260.00</u>
Current total: \$ 965.93	Proposed total: \$ 925.30

Monthly Payments and Amortization (loan balance reduction): Your loan does does not contain payment features or options that may result in no reduction in your principal balance owed over time or possibly an increase in the amount you must repay over time. In certain cases, the payment choice you make early in the life of the loan may result in an effect known as “payment shock.” Payment shock results when you choose to make a payment that is insufficient to retire or “amortize” the loan balance over the life of the loan. In such situations, the loan will “reprice” or “recast” to a new payment amount, which may be substantially higher than you are accustomed to paying. Your loan representative should explain these features to you carefully, including realistic examples of how the choices you make can affect the amount of money you owe.

Prepayment Penalty: Applicable to your loan Not applicable to your loan
 A prepayment penalty means that if you attempt to pay-off or refinance the loan early, you will pay a penalty in **ADDITION** to the interest and principal due under the loan.

If you refinance or pay this loan off early, you will pay these additional fees (penalties):
 \$____ if you pay more than \$____ in the first year after you get this loan
 \$____ if you pay more than \$____ in the second year after you get this loan
 \$____ if you pay more than \$____ in the third year after you get this loan
 \$____ if you pay more than \$____ in the fourth year after you get this loan
 \$____ if you pay more than \$____ in the fifth year after you get this loan

Balloon Payment: Applicable to your loan Not applicable to your loan
 A balloon payment is a final lump sum payment due at the end of your loan. If you do not have the funds to pay off the balloon payment when due, you may have to obtain a new loan to make the balloon payment. If you do not have the money to make the balloon payment, you may lose your property and all of your equity in your home through foreclosure. Before deciding to take this loan, consider your ability to pay the balloon payment. The balloon payment on this loan is due 5 years from the date your loan begins.

Demand Payment Applicable to your loan Not applicable to your loan
 A demand payment provision means that the holder of your loan can demand payment in full if certain conditions are met. Before deciding on this loan, ask your broker or lender what circumstances allow the holder of the loan to demand payment in full.

Reduced Documentation Applicable to your loan Not applicable to your loan
 Your loan is being underwritten and approved without full documentation of your employment, income, or financial situation. Regardless, all statements made by you or your loan representative must be accurate and true. Inaccurate or untruthful statements are a serious violation of law and may result in criminal penalties. Your loan representative should explain to you any additional cost associated with a reduced documentation loan.