

REVERSE MORTGAGE LOAN SUMMARY

[Name of Creditor]
[Loan Originator's Unique Identifier]

[Date]

Borrower & Property Information

Borrowers' Names & Ages	[Loan Applicants' Name and Ages]
Property Address	[Loan Applicants' Address]
Appraised Value	[Disclosure of value of property]

About this Loan

- [Statement that the consumer has applied for a reverse mortgage that does not have to be repaid for as long as the consumer lives in the home]
- [Statement about the types of payments the consumer may receive]
- [Statement about consumers' obligations] [Cross reference to risks section]
- [Statement that the borrower will continue to receive monthly payments and have access to loan funds as long as the borrower remains in the home even if the loan balance eventually exceeds the value of the home]
- [Statement that the loan must be repaid]

Payment of Loan Funds

[You have chosen to receive your funds as follows:] [You (may/will) receive your funds as follows:]

Initial Advance	[Disclosure of initial advance]
Monthly Advance	[Disclosure of monthly advance]
Line of Credit	[Disclosure of line of credit]

[Statement that consumers may change the type of payments they receive]

Annual Percentage Rate

Annual Percentage Rate (APR)	[APR(s) applicable to the reverse mortgage, including introductory APR information] [For variable APRs, the following (1) description that the APR varies, (2) how the APR is determined, (3) the frequency of changes in the APR, (4) description of any limitations on changes in the APR (except for minimum and maximum APRs) or a statement that no annual limitation exists, as applicable, and (5) description of any rules relating to changes in the index value and the APR, including preferred rate provisions and rate carryover provisions, if any]
Maximum APR	[Disclosure of maximum APR]
Historical Changes to (identification of index) Rate	[Description of the lowest and highest value of the index and margin in the past 15 years]

Interest charges will be added to your loan balance each month and collected when the loan is due.

Fees	
[Description of consumer's rights to refund of fees]	
Account Opening Fees	
[Account opening fees]	[Description of itemized one-time account opening fees]
TOTAL Account Opening Fees	[Description of total one-time account opening fees]
Monthly Fees <i>(added to your loan balance each month but not collected until the loan is due)</i>	
[Monthly Fees]	[Description of fees imposed by the creditor for availability of the reverse mortgage]
Interest Charges	[Starts at] [APR] annually [but this rate can change]
Other Fees	
Early Termination Fee	[Description of fees imposed by the creditor for early termination of the reverse mortgage]
[Statements about other fees]	

Borrowing Guidelines	
Minimum Transaction	[Description of any minimum draw requirements]
Limits on Number of Credit Transactions	[Description of any limitations on the number of extensions of credit]
Limits on Amount of Credit Borrowed	[Description of any limitations on the amount of credit that may be obtained during any time period]

How the Loan Balance Grows			
[Description of how loan balance may grow, related to table below]			
	After 1 Year	After 5 Years	After 10 Years
How much money will you have received?	\$__	\$__	\$__
How much will be owed for interest + fees?	\$__	\$__	\$__
How much will be owed altogether?	\$__	\$__	\$__

Repayment Options

[Description of repayment options]

Risks

[Statement about security interest in the consumer's dwelling]

[Description of ways the borrower may default on the loan]

- | | |
|--------------------------|---|
| • Foreclose On Your Home | [Statements about possible action by creditor] |
| • Stop Giving You Money | [Statements about possible actions by creditor] |
| • Terminate Your Loan | [Statements about possible actions by creditor] |

[Statements that other changes can be made to the loan]

- [Statement that the consumer has no obligation to accept the terms disclosed in the table] [Identification of any disclosed term that is subject to change prior to opening the plan, or a statement that all terms disclosed could change before the plan is opened, as applicable]
- [Statement that the consumer may be entitled to refund of all fees paid if the consumer decides not to open the plan] [Cross reference to the "Fees" section in the table]
- [Statement about asking questions]
- [Statement about Board's website]

[if the creditor has a provision for the consumer's signature, a statement that a signature by the consumer only confirms receipt of the disclosure statement]

[
Borrower's Signature

Date]

REVERSE MORTGAGE LOAN SUMMARY

[Name of Creditor]
[Loan Originator's Unique Identifier]

[Date]
[Loan number]

Borrower & Property Information

Borrowers' Names & Ages	[Loan Applicants' Name and Ages]
Property Address	[Loan Applicants' Address]
Appraised Value	[Disclosure of value of property]

About this Loan

- [Statement that the consumer has applied for a reverse mortgage that does not have to be repaid for as long as the consumer lives in the home]
- [Statement about the types of payments the consumer may receive]
- [Statement about consumers' obligations] [Cross reference to risks section]
- [Statement that the borrower will continue to receive monthly payments and have access to loan funds as long as the borrower remains in the home even if the loan balance eventually exceeds the value of the home]
- [Statement that the loan must be repaid]

Payment of Loan Funds

[You have chosen to receive your funds as follows:] [You (may/will) receive your funds as follows:]

Initial Advance	[Disclosure of initial advance]
Monthly Advance	[Disclosure of monthly advance]
Line of Credit	[Disclosure of line of credit]

[Statement that consumers may change the type of payments they receive]

Annual Percentage Rate

Annual Percentage Rate (APR)	[APR(s) applicable to the reverse mortgage, including introductory APR information] [For variable APRs, the following: (1) description that the APR varies, (2) how the APR is determined, (3) the frequency of changes in the APR, (4) description of any limitations on changes in the APR (except for minimum and maximum APRs) or a statement that no annual limitation exists, as applicable, and (5) description of any rules relating to changes in the index value and the APR, including preferred rate provisions and rate carryover provisions, if any]
Maximum APR	[Disclosure of maximum APR]
Historical Changes to [identification of index] Rate	[Description of the lowest and highest value of the index and margin in the past 15 years]

Interest charges will be added to your loan balance each month and collected when the loan is due.

Fees	
Account Opening Fees	
[Account opening fees]	[Description of itemized one-time account opening fees]
TOTAL Account Opening Fees	[Description of total one-time account opening fees]
Monthly Fees <i>(added to your loan balance each month but not collected until the loan is due)</i>	
[Monthly Fees]	[Description of fees imposed by the creditor for availability of the reverse mortgage]
Interest Charges	[Starts at] [APR] annually [but this rate can change]
Transaction Fees	
Exceeding Limits on Amount of Credit Borrowed	[Description of any fees imposed for a consumer's failure to comply with any limitations on the amount of credit that may be obtained during any time period]
Transaction less than \$_____	[Description of any fees imposed for a consumer's failure to comply with minimum draw requirements]
Exceeding Limits on Number of Credit Transactions	[Description of any fees imposed for a consumer's failure to comply with any limitations on the number of extensions of credit]
[Itemization of any transaction charges imposed by the creditor for use of the reverse mortgage]	
Other Fees	
Early Termination Fee	[Description of fees imposed by the creditor for early termination of the reverse mortgage]
[Statements about other fees]	

Borrowing Guidelines	
Minimum Transaction	[Description of any minimum draw requirements]
Limits on Number of Credit Transactions	[Description of any limitations on the number of extensions of credit]
Limits on Amount of Credit Borrowed	[Description of any limitations on the amount of credit that may be obtained during any time period]

How the Loan Balance Grows

[Description of how loan balance may grow, related to table below]

	After 1 Year	After 5 Years	After 10 Years
How much money will you have received?	\$__	\$__	\$__
How much will be owed for interest + fees?	\$__	\$__	\$__
How much will be owed altogether?	\$__	\$__	\$__

Repayment Options

[Description of repayment options]

Risks

[Statement about security interest in the consumer's dwelling]

[Description of ways the borrower may default on the loan]

- | | |
|--------------------------|---|
| • Foreclose On Your Home | [Statements about possible action by creditor] |
| • Stop Giving You Money | [Statements about possible actions by creditor] |
| • Terminate Your Loan | [Statements about possible actions by creditor] |

[Statements that other changes can be made to the loan]

Billing Rights: [Reference to account agreement for details on billing-error rights]

- [Statement that the consumer has no obligation to accept the terms disclosed in the table] [Statement that the consumer should use this form to confirm that these are the terms for which the consumer applied]
- [Statement about asking questions]
- [Statement about Board's website]

[if the creditor has a provision for the consumer's signature, a statement that a signature by the consumer only confirms receipt of the disclosure statement]

[

Borrower's Signature

Date]

REVERSE MORTGAGE LOAN SUMMARY

[Name of Creditor]

[Date]

[Loan Originator's Unique Identifier]

Borrower & Property Information

Borrowers' Names & Ages	[Loan Applicants' Name and Ages]
Property Address	[Loan Applicants' Address]
Appraised Value	[Disclosure of value of property]

About this Loan

- [Statement that the consumer has applied for a reverse mortgage that does not have to be repaid for as long as the consumer lives in the home]
- [Statement about the types of payments the consumer may receive]
- [Statement about consumers' obligations] [Cross reference to risks section]
- [Statement that the borrower will continue to receive monthly payments and have access to loan funds as long as the borrower remains in the home even if the loan balance eventually exceeds the value of the home]
- [Statement that the loan must be repaid]

Payment of Loan Funds

[You have chosen to receive your funds as follows:] [You (may/will) receive your funds as follows:]

Initial Advance	[Disclosure of initial advance]
Monthly Advance	[Disclosure of monthly advance]
Line of Credit	[Disclosure of line of credit]

[Statement that consumers may change the type of payments they receive]

Annual Percentage Rate

Overall cost of this loan including interest and settlement charges	____% APR
Rate Type	This is a[n] [adjustable] [fixed] [step] rate.
Rate Calculation	[When the (length of time) introductory period ends,] your rate will be determined (frequency) based on the (identification of index) (the market rate) plus ____%.]
Rate Change Limits	[When the (length of time) introductory period ends,] your interest rate can increase up to ____% from (period) to the next, and no more than ____% total for the life of the loan, which would result in a maximum ever rate of ____%.]
Historical Changes to (identification of index) Rate	[Description of the lowest and highest value of the index and margin in the past 15 years]

Interest charges will be added to your loan balance each month and collected when the loan is due.

Fees	
Account Opening Fees	
[Account opening fees]	[Description of itemized one-time account opening fees]
TOTAL Account Opening Fees	[Description of total one-time account opening fees]
Monthly Fees <i>(added to your loan balance each month but not collected until the loan is due)</i>	
[Monthly Fees]	[Description of fees imposed by the creditor for availability of the]
Interest Charges	[Starts at] [interest rate] annually [but this rate can change]
Other Fees	
Prepayment Penalty	[Description of fees imposed by the creditor for early termination or prepayment in full of the reverse mortgage]
[Statements about other fees]	

Borrowing Guidelines	
Minimum Transaction	[Description of any minimum transaction requirements]
Limits on Number of Credit Transactions	[Description of any limitations on the number of extensions of credit]
Limits on Amount of Credit Borrowed	[Description of any limitations on the amount of credit that may be obtained during any time period]

How the Loan Balance Grows			
[Description of how loan balance may grow, related to table below]			
	After 1 Year	After 5 Years	After 10 Years
How much money will you have received?	\$__	\$__	\$__
How much will be owed for interest + fees?	\$__	\$__	\$__
How much will be owed altogether?	\$__	\$__	\$__

Repayment Options

[Description of repayment options]

Risks

[Statement about security interest in the consumer's dwelling]

[Description of ways the borrower may default on the loan]

- | | |
|--------------------------|---|
| • Foreclose On Your Home | [Statements about possible action by creditor] |
| • Stop Giving You Money | [Statements about possible actions by creditor] |
| • Terminate Your Loan | [Statements about possible actions by creditor] |

[Statements that other changes can be made to the loan]

- [Statement that the consumer has no obligation to accept the terms disclosed in the table]
- [Statement about asking questions]
- [Statement about Board's website]

[if the creditor has a provision for the consumer's signature, a statement that a signature by the consumer only confirms receipt of the disclosure statement]

[

Borrower's Signature

Date]

REVERSE MORTGAGE LOAN SUMMARY

LENDER: ABC Bank
LOAN OFFICER: 12345 1234

DATE: April 30, 2010

Borrower & Property Information

Borrowers' Names & Ages	John Doe (84); Jane Doe (82)
Property Address	123 Ward Street, Jingle Bells, TX 12345
Appraised Value	\$275,000

About this Loan

- You are applying for a reverse mortgage loan on your home that you do not have to repay for as long as you live there.
- You may get money from this loan paid to you all at once, as a regular monthly advance, or at times and in amounts that you choose.
- You will continue to own your home so you must pay your property taxes and insurance, and keep the home in good repair (see the Risks section).
- If the loan balance eventually is greater than the value of the home, you will continue to receive monthly payments and have access to your loan funds as long as you remain in the home.
- The amount of the loan, plus interest and fees, must be paid back in full if the home is sold **or** when the last surviving borrower dies or does not live in the house for 12 consecutive months.

Payment of Loan Funds

You may receive your funds as follows:

Line of Credit	\$186,974 available to you at any time while you remain in your home
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You may choose to change the type of payments you receive. Your other choices are:

Initial Advance	paid to you after you accept the loan
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Monthly Advance	paid to you each month while you remain in your home
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Annual Percentage Rate

Annual Percentage Rate (APR)	2.93% . This is a <u>variable rate</u> that will change annually based on the Treasury rate plus 2.5%. Each year, your rate can increase by up to 2.0%.
Maximum APR	7.93%
Historical Changes to Treasury Rate	Over the past 15 years, the Treasury rate plus 2.5% has varied between 2.77% and 8.90%.

Interest charges will be added to your loan balance each month and collected when the loan is due.

Fees

We will refund all fees you paid if you tell us that you do not want to open an account:

- for any reason within three business days after you receive this statement; or
- for any reason within three business days after you receive reverse mortgage counseling; or
- any time before your account is opened if any of these terms (other than the APR) change.

Account Opening Fees

Loan Origination	\$ 4,735
Inspection	\$ 500
Title Search & Title Insurance	\$ 595
Appraisal	\$ 295
Reverse Mortgage Insurance Premium	\$ 5,500
TOTAL Account Opening Fees	\$11,625

Monthly Fees *(added to your loan balance each month but not collected until the loan is due)*

Servicing Fee	\$35 per month (\$420 annually)
Reverse Mortgage Insurance Premium	0.042% monthly (0.5% annually)
Monthly Interest Charges	Starts at 2.93% annually but this rate can change.

Other Fees

Other fees may apply. Ask us for additional information about these fees.

How the Loan Balance Grows

The table shows an example of how your loan balance might grow if:

- You borrow \$186,974 after you accept the loan and do not borrow any more money, *and*
- The APR stays at 2.93%.

	After 1 Year	After 5 Years	After 10 Years
How much money will you have received?	\$186,974	\$186,974	\$186,974
How much will be owed for interest + fees?	\$18,972	\$51,015	\$97,764
How much will be owed altogether?	\$205,946	\$237,989	\$255,750

Repayment Options

At the end of the loan, you or your heirs may either:

- Pay the loan balance in full and keep the home, or
- Sell the home and use the proceeds to pay off the loan. If your home sells for less than you owe, you will not be required to pay the difference. If your home sells for more than you owe, the difference will be given to you or your heirs.

Risks

Your reverse mortgage loan will be secured by your home. If you default on your reverse mortgage loan by:

- Allowing the property to deteriorate beyond reasonable wear and tear; or
- Failing to pay property taxes or insurance; or
- Failing to live in the house for 12 consecutive months; or
- Failing to meet any other obligation

...then we may take any or all of the following actions:

<ul style="list-style-type: none">• Foreclose On Your Home	We could foreclose on your property and require that you leave the home.
<ul style="list-style-type: none">• Stop Giving You Money	We may stop making payments to you and not allow you to borrow any more money from your line of credit, even if you have borrowed less than your credit limit.
<ul style="list-style-type: none">• Terminate Your Loan	We may terminate your loan, make you pay the outstanding loan balance in one payment, and charge you fees on termination.

We may also make other changes to your loan.

- ➔ **You have no obligation to accept these terms. These terms could change before we open your account.**
- ➔ **You may be entitled to a refund of all fees paid if you decide not to open an account.** See “Fees” section above for more details.
- ➔ **Ask questions if you do not understand any part of this form.**
- ➔ **For more information, go to www.frb.gov/reverse_mortgages/.**

By signing below, I acknowledge receipt of this form.

Borrower’s Signature

Date

REVERSE MORTGAGE LOAN SUMMARY

LENDER: ABC Bank
LOAN OFFICER: 12345 1234

DATE: April 30, 2010
LOAN NUMBER: 123-12-1234-567

Borrower & Property Information

Borrowers' Names & Ages	John Doe (84); Jane Doe (82)
Property Address	123 Ward Street, Jingle Bells, TX 12345
Appraised Value	\$275,000

About this Loan

- You are applying for a reverse mortgage loan on your home that you do not have to repay for as long as you live there.
- You may get money from this loan paid to you all at once, as a regular monthly advance, or at times and in amounts that you choose.
- You will continue to own your home so you must pay your property taxes and insurance, and keep the home in good repair (see the Risks section).
- If the loan balance eventually becomes greater than the value of the home, you will continue to receive monthly payments and have access to your loan funds as long as you remain in the home.
- The amount of the loan, plus interest and fees, must be paid back in full if the home is sold **or** when the last surviving borrower dies or does not live in the house for 12 consecutive months.

Payment of Loan Funds

You have chosen to receive your funds as follows:

Initial Advance	\$12,000 will be paid to you after you accept the loan
Monthly Advance	\$ 1,287 will be paid to you each month while you remain in your home
Line of Credit	\$15,000 will be available to you at any time while you remain in your home

You may choose to change the type of payments you receive.

Annual Percentage Rate

Annual Percentage Rate (APR)	2.93% . This is a <u>variable rate</u> that will change annually based on the Treasury rate plus 2.5%. Each year, your rate can increase by up to 2.0%.
Maximum APR	7.93%
Historical Changes to Treasury Rate	Over the past 15 years, the Treasury rate plus 2.5% has varied between 2.77% and 8.90%.

Interest charges will be added to your loan balance each month and collected when the loan is due.

Fees	
Account Opening Fees	
Loan Origination	\$ 4,735
Inspection	\$ 500
Title Search & Title Insurance	\$ 595
Appraisal	\$ 295
Reverse Mortgage Insurance Premium	\$ 5,500
TOTAL Account Opening Fees	\$11,625
Monthly Fees <i>(added to your loan balance each month but not collected until the loan is due)</i>	
Servicing Fee	\$35 per month (\$420 annually)
Reverse Mortgage Insurance Premium	0.042% monthly (0.5% annually)
Interest Charges	Starts at 2.93% annually but this rate can change.
Other Fees	
Other fees may apply; see your account agreement for details. Ask us for additional information about these fees.	

How the Loan Balance Grows			
The table shows an example of how your loan balance might grow if:			
<ul style="list-style-type: none"> You never borrow from the Line of Credit, only receiving the <i>initial</i> and <i>monthly</i> advances listed on page 1, <i>and</i> The APR stays at 2.93%. 			
	After 1 Year	After 5 Years	After 10 Years
How much money will you have received?	\$27,443.00	\$80,208.00	\$166,434.00
How much will be owed for interest + fees?	\$13,166.00	\$23,023.00	\$56,300.00
How much will be owed altogether?	\$40,609.00	\$103,232.00	\$222,733.00

Repayment Options
At the end of the loan, you or your heirs may either:
<ul style="list-style-type: none"> Pay the loan balance in full and keep the home, or Sell the home and use the proceeds to pay off the loan. If your home sells for less than you owe, you will not be required to pay the difference. If your home sells for more than you owe, the difference will be given to you or your heirs.

Risks

Your reverse mortgage loan will be secured by your home. If you default on your reverse mortgage loan by:

- Allowing the property to deteriorate beyond reasonable wear and tear; or
- Failing to pay property taxes or insurance; or
- Failing to live in the house for 12 consecutive months; or
- Failing to meet any other obligation

...then we may take any or all of the following actions:

<ul style="list-style-type: none">• Foreclose On Your Home	We could foreclose on your property and require that you leave the home.
<ul style="list-style-type: none">• Stop Giving You Money	We may stop making payments to you and not allow you to borrow any more money from your line of credit, even if you have borrowed less than your credit limit.
<ul style="list-style-type: none">• Terminate Your Loan	We may terminate your loan, make you pay the outstanding loan balance in one payment, and charge you fees on termination.

We may also make other changes to your loan.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

- ➔ **You have no obligation to accept these terms.** Use this statement to confirm that these are the terms for which you applied.
- ➔ **Ask questions if you do not understand any part of this form.**
- ➔ **For more information, go to www.frb.gov/reverse_mortgages/.**

By signing below, I acknowledge receipt of this form.

Borrower's Signature

Date

REVERSE MORTGAGE LOAN SUMMARY

LENDER: ABC Bank
LOAN OFFICER NO.: 12345-1234

DATE: April 30, 2010

Borrower & Property Information

Borrowers' Names & Ages	John Marsh (62)
Borrowers' Account Number	123456789
Property Address	123 Ward Street, Jingle Bells, TX 12345
Appraised Value	\$120,000

About this Loan

- You are applying for a reverse mortgage loan on your home that you do not have to repay for as long as you remain in the home.
- You will continue to own your home so you must pay your property taxes and insurance, and keep the home in good repair (see the Risks section).
- The amount of the loan, plus interest and fees, must be paid back in full if the home is sold **or** when the last surviving borrower dies or does not live in the house for 12 consecutive months.

Payment of Loan Funds

You will receive your funds as follows:

Initial Advance	\$55,242 will be paid to you after you accept the loan
-----------------	---

Annual Percentage Rate (APR)

Overall cost of this loan including interest and settlement charges	7.16 % APR
Rate Type	This is a <u>fixed rate</u>

Interest charges will be added to your loan balance each month and collected when the loan is due.

Fees	
Account Opening Fees	
Loan Origination	\$ 2,500
Inspection	\$ 500
Title Search & Title Insurance	\$ 590
Appraisal	\$ 298
Settlement Fee	\$ 415
Counseling Fee	\$ 125
Reverse Mortgage Insurance Premium	\$ 2,400
TOTAL Account Opening Fees	\$6,828
Monthly Fees <i>(added to your loan balance each month but not collected until the loan is due)</i>	
Servicing Fee	\$30 per month (\$360 annually).
Reverse Mortgage Insurance Premium	0.042% monthly (0.5% annually).
Interest Charges	5.56% annually.

How the Loan Balance Grows			
The table shows how your loan balance will grow.			
	After 1 Year	After 5 Years	After 10 Years
How much money will you have received?	\$55,242.00	\$55,242.00	\$55,242.00
How much will be owed for interest + fees?	\$11,068.00	\$30,838.00	\$63,321.00
How much will be owed altogether?	\$66,310.00	\$86,080.00	\$111,600.00
Total Payments	If your loan lasted 21 years, you would make one payment totaling \$236,165.31. Of this amount, \$180,923.50 would go to interest and settlement charges. This amount, and your amount financed of \$55,241.81, is used to calculate your APR.		

Repayment Options

At the end of the loan, you or your heirs may either:

- Pay the loan balance in full and keep the home, or
- Sell the home and use the proceeds to pay off the loan. If your home sells for less than you owe, you will not be required to pay the difference. If your home sells for more than you owe, the difference will be given to you or your heirs.

Risks

Your reverse mortgage loan will be secured by your home. If you default on your reverse mortgage loan by:

- Allowing the property to deteriorate beyond reasonable wear and tear; or
- Failing to pay property taxes or insurance; or
- Failing to live in the house for 12 consecutive months; or
- Failing to meet any other obligation;

...then we may take any or all of the following actions:

- | | |
|--------------------------|--|
| • Foreclose On Your Home | We could foreclose on your property and require that you leave the home. |
| • Terminate Your Loan | We may terminate your loan, make you pay the outstanding loan balance in a single payment, and charge you fees on termination. |

→ **You have no obligation to accept these terms.**

→ **Ask questions if you do not understand any part of this form.**

→ **For more information, go to www.frb.gov/reverse_mortgages/.**

By signing below I acknowledge receipt of this form.

Borrower's Signature

Date

Shared Appreciation Model Clause

Shared Appreciation

This loan includes a Shared Appreciation Agreement, **which means that the lender will be entitled to [shared appreciation percent]% of any gain you make when you sell or refinance your home.**

For example, if your home were worth \$100,000 more when the loan becomes due than it is worth today, you would owe us an additional \$[shared appreciation amount] on the loan.