

INFORMED CONSUMER CHOICE DISCLOSURE NOTICE

In addition to an FHA-insured mortgage, you may also qualify for other mortgage products offered by your lender. To assure that you are aware of possible choices in financing, your lender has prepared a comparison of the typical costs of alternative conventional mortgage product(s) below, using representative loan amounts and costs (the actual loan amounts and associated costs shown below will vary from your own mortgage loan transaction). You should study the comparison carefully, ask questions, and determine which product is best for you. The information provided below was prepared as of June, 1999.

Neither your lender nor FHA warrants that you actually qualify for any mortgage loan offered by your lender. This notice is provided to identify the key differences between these mortgage products offered by your lender. **This disclosure is not a contract and does not constitute loan approval.** Actual mortgage approval can only be made following a full underwriting analysis by your mortgage lender.

		FHA Financing 203(b) Fixed Rate	Conventional Financing 97% with Mortgage Insurance
1	Sales Price	\$100,000	\$100,000
2	Mortgage Amount	\$97,750 (\$99,460 w/ Upfront Mortgage Insurance Premium)	\$97,000
3	Closing Costs	\$2000	\$2000
4	Downpayment Needed	\$4250	\$5000
5	Interest Rate and Term of Loan in Years	7.00% / 30 Year Loan	7.00% / 30 Year Loan
6	Monthly Payment (principal and interest only)	\$661	\$645
7	Loan-to-Value	97.75%	97%
8	Monthly Mortgage Insurance Premium (first year)	\$40.54 ¹	\$76.63
9	Maximum Number of Years of Monthly Insurance Premium Payments	30 Years	Approx. 13 Years
10	Upfront Mortgage Insurance Premium (if applicable)	\$1710 ² (Included in Mortgage Amount, line 2)	n/a

¹ Monthly mortgage insurance premiums are calculated on the average annual principal balance, i.e., as the amount you owe on the loan decreases each year, so does the amount of the monthly premium.

² Based on an upfront mortgage insurance premium rate available for first-time homebuyers who obtain housing counseling.

FHA Mortgage Insurance Premium Information:

If you paid an upfront mortgage insurance premium, you will also be charged a monthly mortgage insurance premium for the period of time shown below, based on the initial loan-to-value and term of your mortgage. You are required to make these payments on your FHA-insured loan for the time shown unless you refinance or the mortgage is otherwise paid in full. (If you were *not* charged an upfront premium, as for example on condominiums, you will pay the monthly premium for the life of the mortgage.)

If the term of your mortgage will be greater than 15 years and with a loan-to-value ratio: Of 89.99 or Less Between 90.00 and 95.00 Of 95.01 and Greater	You will make mortgage insurance premium payments for: 7 Years 12 Years 30 Years
If the term of your mortgage will be 15 years or less and with a loan-to-value ratio: Of 89.99 or Less Between 90.00 and 95.00 Of 95.01 and Greater	You will make mortgage insurance premium payments for: None Required 4 Years 8 Years