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**(o) Historical Example:** The following table shows how the annual percentage rate and the minimum payments for a single $10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from (*when values are measured*). [While only one payment amount per year is shown, payments would have varied during each year.]

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future.

| Year | Index | Margin | ANNUAL PERCENTAGE RATE | Minimum Payment |
|---|---|---|---|---|
| | (%) | (%) | (%) | ($) |
| 1975 | | | | |
| 1976 | | | | |
| 1977 | | | | |
| 1978 | | | | |
| 1979 | | | | |
| 1980 | | | | |
| 1981 | | | | |
| 1982 | | | | |
| 1983 | | | | |
| 1984 | | | | |
| 1985 | | | | |
| 1986 | | | | |
| 1987 | | | | |
| 1988 | | | | |
| 1989 | | | | |

[Reg. Z, 46 FR 20892, Apr. 7, 1981, as amended at 46 FR 60191, Dec. 9, 1981; 54 FR 13868, Apr. 6, 1989; 54 FR 24689, June 9, 1989; 55 FR 38312, Sept. 18, 1990; 65 FR 58908, Oct. 3, 2000]

## APPENDIX H TO PART 226—CLOSED-END MODEL FORMS AND CLAUSES

H–1—Credit Sale Model Form (§226.18)
H–2—Loan Model Form (§226.18)
H–3—Amount Financed Itemization Model Form (§226.18(c))
H–4(A)—Variable-Rate Model Clauses (§226.18(f)(1))
H–4(B)—Variable-Rate Model Clauses (§226.18(f)(2))
H–4(C)—Variable-Rate Model Clauses (§226.19(b))
H–4(D)—Variable-Rate Model Clauses (§226.20(c))
H–5—Demand Feature Model Clauses (§226.18(I))
H–6—Assumption Policy Model Clause (§226.18(q))
H–7—Required Deposit Model Clause (§226.18(r))
H–8—Rescission Model Form (General) (§226.23)
H–9—Rescission Model Form (Refinancing With Original Creditor) (§226.23)
H–10—Credit Sale Sample
H–11—Installment Loan Sample
H–12—Refinancing Sample
H–13—Mortgage with Demand Feature Sample
H–14—Variable-Rate Mortgage Sample (§226.19(b))
H–15—Graduated Payment Mortgage Sample
H–16—Mortgage Sample (§226.32)

H-1—Credit Sale Model Form

| ANNUAL PERCENTAGE RATE<br>The cost of your credit as a yearly rate.<br>% | FINANCE CHARGE<br>The dollar amount the credit will cost you.<br>$ | Amount Financed<br>The amount of credit provided to you or on your behalf.<br>$ | Total of Payments<br>The amount you will have paid after you have made all payments as scheduled.<br>$ | Total Sale Price<br>The total cost of your purchase on credit, including your downpayment of<br>$ _____.<br>$ |
|---|---|---|---|---|

You have the right to receive at this time an itemization of the Amount Financed.
☐ I want an itemization. ☐ I do not want an itemization.

Your payment schedule will be:

| Number of Payments | Amount of Payments | When Payments Are Due |
|---|---|---|
| | | |
| | | |

**Insurance**
Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

| Type | Premium | Signature |
|---|---|---|
| Credit Life | | I want credit life insurance. _____ Signature |
| Credit Disability | | I want credit disability insurance. _____ Signature |
| Credit Life and Disability | | I want credit life and disability insurance. _____ Signature |

You may obtain property insurance from anyone you want that is acceptable to (creditor). If you get the insurance from (creditor), you will pay $_____.

**Security:** You are giving a security interest in:
☐ the goods or property being purchased.
☐ (brief description of other property).

**Filing fees** $ _____ **Non-filing insurance** $ _____

**Late Charge:** If a payment is late, you will be charged $ _____/_____% of the payment.

**Prepayment:** If you pay off early, you
☐ may ☐ will not have to pay a penalty.
☐ may ☐ will not be entitled to a refund of part of the finance charge.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

_____
e means an estimate

H-2—Loan Model Form

| ANNUAL PERCENTAGE RATE<br>The cost of your credit as a yearly rate.<br>% | FINANCE CHARGE<br>The dollar amount the credit will cost you.<br>$ | Amount Financed<br>The amount of credit provided to you or on your behalf.<br>$ | Total of Payments<br>The amount you will have paid after you have made all payments as scheduled.<br>$ |
|---|---|---|---|

You have the right to receive at this time an itemization of the Amount Financed.
☐ I want an itemization. ☐ I do not want an itemization.

Your payment schedule will be:

| Number of Payments | Amount of Payments | When Payments Are Due |
|---|---|---|
| | | |
| | | |

**Insurance**
Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

| Type | Premium | Signature |
|---|---|---|
| Credit Life | | I want credit life insurance. Signature |
| Credit Disability | | I want credit disability insurance. Signature |
| Credit Life and Disability | | I want credit life and disability insurance. Signature |

You may obtain property insurance from anyone you want that is acceptable to (creditor). If you get the insurance from (creditor), you will pay $_____.

**Security:** You are giving a security interest in:
☐ the goods or property being purchased.
☐ (brief description of other property).

**Filing fees** $_____ **Non-filing insurance** $_____

**Late Charge:** If a payment is late, you will be charged $_____/_____% of the payment.

**Prepayment:** If you pay off early, you
☐ may ☐ will not have to pay a penalty.
☐ may ☐ will not be entitled to a refund of part of the finance charge.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

_____
**e means an estimate**

## H-3—Amount Financed Itemization Model Form

Itemization of the Amount Financed of $_____

$_____ Amount given to you directly

$_____ Amount paid on your account

Amount paid to others on your behalf

$_____ to [public officials] [credit bureau] [appraiser] [insurance company]

$_____ to (name of another creditor)

$_____ to (other)

$_____ Prepaid finance charge

## H-4(A)—Variable-Rate Model Clauses

The annual percentage rate may increase during the term of this transaction if:
[the prime interest rate of (creditor) increases.]
[the balance in your deposit account falls below $_____.]
[you terminate your employment with (employer).]

[The interest rate will not increase above _____%.]
[The maximum interest rate increase at one time will be _____%.]
[The rate will not increase more than once every (time period).]

Any increase will take the form of:
[higher payment amounts.]
[more payments of the same amount.]
[a larger amount due at maturity.]

*Example based on the specific transaction*
[If the interest rate increases by _____% in (time period),
[your regular payments will increase to $_____.]
[you will have to make _____ additional payments.]
[your final payment will increase to $_____.]]

*Example based on a typical transaction*
[If your loan were for $_____ at _____% for (term) and the rate increased to _____% in (time period),
[your regular payments would increase by $_____.]
[you would have to make _____ additional payments.]
[your final payment would increase by $_____.]]

## H-4(B)—Variable-Rate Model Clauses

Your loan contains a variable-rate feature. Disclosures about the variable-rate feature have been provided to you earlier.

*H–4(C)—Variable-Rate Model Clauses*

This disclosure describes the features of the adjustable-rate mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

*How Your Interest Rate and Payment Are Determined*

• Your interest rate will be based on [an index plus a margin] [a formula].

• Your payment will be based on the interest rate, loan balance, and loan term.

—[The interest rate will be based on (identification of index) plus our margin. Ask for our current interest rate and margin.]

—[The interest rate will be based on (identification of formula). Ask us for our current interest rate.]

—Information about the index [formula for rate adjustments] is published [can be found] _____.

—[The initial interest rate is not based on the (index) (formula) used to make later adjustments. Ask us for the amount of current interest rate discounts.]

*How Your Interest Rate Can Change*

• Your interest rate can change (frequency).

• [Your interest rate cannot increase or decrease more than _____ percentage points at each adjustment.]

• Your interest rate cannot increase [or decrease] more than _____ percentage points over the term of the loan.

*How Your Payment Can Change*

• Your payment can change (frequency) based on changes in the interest rate.

• [Your payment cannot increase more than (amount or percentage) at each adjustment.]

• You will be notified in writing _____ days before the due date of a payment at a new level. This notice will contain information about your interest rates, payment amount, and loan balance.

• [You will be notified once each year during which interest rate adjustments, but no payment adjustments, have been made to your loan. This notice will contain information about your interest rates, payment amount, and loan balance.]

• [For example, on a $10,000 [term] loan with an initial interest rate of _____ [(the rate shown in the interest rate column below for the year 19 _____)] [(in effect (month) (year)], the maximum amount that the interest rate can rise under this program is _____ percentage points, to _____%, and the monthly payment can rise from a first-year payment of $_____ to a maximum of $_____ in the _____ year. To see what your payments would be, divide your mortgage amount by $10,000; then multiply the monthly payment by that amount. (For example, the monthly payment for a mortgage amount of $60,000 would be: $60,000 ÷ $10,000 = 6; 6 × _____ = $_____ per month.)]

*[Example*

The example below shows how your payments would have changed under this ARM program based on actual changes in the index from 1982 to 1996. This does not necessarily indicate how your index will change in the future.

The example is based on the following assumptions:

| | |
|---|---|
| Amount | $10,000 |
| Term | _____ |
| Change date | _____ |
| Payment adjustment | (frequency) |
| Interest adjustment | (frequency) |
| [Margin]* | _____ |
| Caps _____ [periodic interest rate cap] | |
| _____ [lifetime interest rate cap | |
| _____ [payment cap] | |
| [Interest rate carryover] | |
| [Negative amortization] | |
| [Interest rate discount]** | |
| Index.....(identification of index or formula) | |

*This is a margin we have used recently, your margin may be different.

**This is the amount of a discount we have provided recently; your loan may be discounted by a different amount.]

| Year | Index (%) | Margin (Percentage points) | Interest Rate (%) | Monthly Payment ($) | Remaining Balance ($) |
|---|---|---|---|---|---|
| 1982 | | | | | |
| 1983 | | | | | |
| 1984 | | | | | |
| 1985 | | | | | |
| 1986 | | | | | |
| 1987 | | | | | |
| 1988 | | | | | |
| 1989 | | | | | |
| 1990 | | | | | |
| 1991 | | | | | |
| 1992 | | | | | |

| Year | Index (%) | Margin (Percentage points) | Interest Rate (%) | Monthly Payment ($) | Remaining Balance ($) |
|---|---|---|---|---|---|
| 1993 | | | | | |
| 1994 | | | | | |
| 1995 | | | | | |
| 1996 | | | | | |

Note: To see what your payments would have been during that period, divide your mortgage amount by $10,000; then multiply the monthly payment by that amount. (For example, in 1996 the monthly payment for a mortgage amount of $60,000 taken out in 1982 would be: $60,000÷$10,000=6; 6×_____=$_____ per month.)

## H-4(D)—Variable-Rate Model Clauses

Your new interest rate will be _____%, which is based on an index value of ___.___%.
Your previous interest rate was _____ .%, which was based on an index value of _____%.
[The new interest rate does not reflect a change of ___.___ percentage point in the index value which was not added because of _____.]
[The new payment will be $_____.]
[Your new loan balance is $_____.]
[Your (new) (existing) payment will not be sufficient to cover the interest due and the difference will be added to the loan amount. The payment amount needed to pay your loan in full by the end of the term at the new interest rate is $_____.]
[The following interest rate adjustments have been implemented this year without changing your payment: _____.
These interest rates were based on the following index values: _____.]

## H-5—Demand Feature Model Clauses

This obligation [is payable on demand.]
[has a demand feature.]
[All disclosures are based on an assumed maturity of one year.]

## H-6—Assumption Policy Model Clause

Assumption: Someone buying your house [may, subject to conditions, be allowed to] [cannot] assume the remainder of the mortgage on the original terms.

## H-7—Required Deposit Model Clause

The annual percentage rate does not take into account your required deposit.

## H-8—Rescission Model Form (General)

NOTICE OF RIGHT TO CANCEL

**Your Right to Cancel**

You are entering into a transaction that will result in a [mortgage/lien/ security interest] [on/in] your home. You have a legal right under federal law to cancel this transaction, without cost, within three business days from whichever of the following events occurs last:

(1) the date of the transaction, which is

_____; or

(2) the date you received your Truth in Lending disclosures; or

(3) the date you received this notice of your right to cancel.

If you cancel the transaction, the [mortgage/lien/security interest] is also cancelled. Within 20 calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the [mortgage/lien/security interest] [on/in] your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

**How to Cancel**

If you decide to cancel this transaction, you may do so by notifying us in writing, at

(creditor's name and business address).

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of (date) (or midnight of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL

_____ _____

Consumer's Signature Date

H–9—RESCISSION MODEL FORM (REFINANCING WITH ORIGINAL CREDITOR)

NOTICE OF RIGHT TO CANCEL

Your Right To Cancel

You are entering into a new transaction to increase the amount of credit previously provided to you. Your home is the security for this new transaction. You have a legal right under federal law to cancel this new transaction, without cost, within three business days from whichever of the following events occurs last:

(1) the date of this new transaction, which is _____; or

(2) the date you received your new Truth in Lending disclosures; or

(3) the date you received this notice of your right to cancel.

If you cancel this new transaction, it will not affect any amount that you presently owe. Your home is the security for that amount. Within 20 calendar days after we receive your notice of cancellation of this new transaction, we must take the steps necessary to reflect the fact that your home does not secure the increase of credit. We must also return any money you have given to us or anyone else in connection with this new transaction.

You may keep any money we have given you in this new transaction until we have done the things mentioned above, but you must then offer to return the money at the address below.

If we do not take possession of the money within 20 calendar days of your offer, you may keep it without further obligation.

HOW TO CANCEL

If you decide to cancel this new transaction, you may do so by notifying us in writing, at

_____

(Creditor's name and business address).

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of

_____

(Date) _____

(or midnight of the third business day following the latest of the three events listed above).

If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL

_____

Consumer's Signature

_____

Date

H-10—Credit Sale Sample

**Big Wheel Auto** Alice Green

| ANNUAL PERCENTAGE RATE<br>The cost of your credit as a yearly rate. | FINANCE CHARGE<br>The dollar amount the credit will cost you. | Amount Financed<br>The amount of credit provided to you or on your behalf. | Total of Payments<br>The amount you will have paid after you have made all payments as scheduled. | Total Sale Price<br>The total cost of your purchase on credit, including your downpayment of $ 1500 – |
|---|---|---|---|---|
| 14.84 % | $ 1496.80 | $ 6107.50 | $ 7604.30 | $ 9129.30 |

You have the right to receive at this time an itemization of the Amount Financed.
☐ I want an itemization. ☒ I do not want an itemization.

Your payment schedule will be:

| Number of Payments | Amount of Payments | When Payments Are Due |
|---|---|---|
| 36 | $211.23 | Monthly beginning 6-1-81 |
| | | |

**Insurance**
Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

| Type | Premium | Signature | |
|---|---|---|---|
| Credit Life | $120 – | I want credit life insurance. | Alice Green<br>Signature |
| Credit Disability | | I want credit disability insurance. | Signature |
| Credit Life and Disability | | I want credit life and disability insurance. | Signature |

**Security:** You are giving a security interest in:
☒ the goods being purchased.
☐ _____.

**Filing fees** $ 12.50 **Non-filing insurance** $ _____

**Late Charge:** If a payment is late, you will be charged $10.

**Prepayment:** If you pay off early, you
☐ may ☐ will not have to pay a penalty.
☒ may ☐ will not be entitled to a refund of part of the finance charge.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

I have received a copy of this statement.

Alice Green 5-1-81
Signature Date

e means an estimate

H-11—Installment Loan Sample

**Friendly Bank & Trust Co.**
700 East Street
Little Creek, USA

Lisa Stone
22-4859-22
300 Maple Avenue
Little Creek, USA

| ANNUAL PERCENTAGE RATE<br>The cost of your credit as a yearly rate. | FINANCE CHARGE<br>The dollar amount the credit will cost you. | Amount Financed<br>The amount of credit provided to you or on your behalf. | Total of Payments<br>The amount you will have paid after you have made all payments as scheduled |
|---|---|---|---|
| 12 % | $ 675.31 | $ 5000- | $ 5675.31 |

You have the right to receive at this time an itemization of the Amount Financed.
☐ I want an itemization. ☒ I do not want an itemization.

Your payment schedule will be:

| Number of Payments | Amount of Payments | When Payments Are Due |
|---|---|---|
| 1 | $262.03e | 6/1/81 |
| 23 | $235.36 | Monthly beginning 7/1/81 |

**Late Charge:** If a payment is late, you will be charged $5 or 10% of the payment, whichever is less.

**Prepayment:** If you pay off early, you ☒ may ☐ will not have to pay a penalty.

**Required Deposit:** The annual percentage rate does not take into account your required deposit.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

e means an estimate

H-12—Refinancing Sample

**Everyone's Credit Union** Date: April 1, 1981

| ANNUAL PERCENTAGE RATE<br>The cost of your credit as a yearly rate. | FINANCE CHARGE<br>The dollar amount the credit will cost you. | Amount Financed<br>The amount of credit provided to you or on your behalf. | Total of Payments<br>The amount you will have paid after you have made all payments as scheduled. |
|---|---|---|---|
| 15 % | $1285.06 | $5177.73 | $6462.79 |

Your payment schedule will be:

| Number of Payments | Amount of Payments | When Payments Are Due |
|---|---|---|
| 35 | $179.53 | monthly starting 5-1-81 |
| 1 | $179.24 | 4-1-84 |

**Insurance**

Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

| Type | Premium | Signature |
|---|---|---|
| Credit Life | | I want credit life insurance. Signature |
| Credit Disability | $177.73 | I want credit disability insurance. Signature Joseph Day |

**Security:** You are giving a security interest in: ☐ the goods or property being purchased. ☒ your automobile.

**Late Charge:** If a payment is late, you will be charged 20% of the interest due with a minimum charge of $.05.

**Prepayment:** If you pay off early, you will not have to pay a penalty.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

e means an estimate

Itemization of the Amount Financed of $5177.73

$ 1000- Amount given to you directly
$ 3000- Amount paid on your account

Amount paid to others on your behalf
$ _____ to public officials
$ 500- to Coop Credit Union
$ 500- to Acme Finance Co.
$ 177.73 to Pan-Galactic Ins. Co.
$ _____ for credit report

$ _____ Prepaid finance charge

H-13—Mortgage with Demand Feature Sample

**Mortgage Savings and Loan Assoc.**
Date: April 15, 1981

Glenn Jones
700 Oak Drive
Little Creek, USA

| ANNUAL PERCENTAGE RATE<br>The cost of your credit as a yearly rate. | FINANCE CHARGE<br>The dollar amount the credit will cost you. | Amount Financed<br>The amount of credit provided to you or on your behalf. | Total of Payments<br>The amount you will have paid after you have made all payments as scheduled. |
|---|---|---|---|
| 14.85 % | $156,551.54 | $44,605.66 | $201,157.20 |

Your payment schedule will be:

| Number of Payments | Amount of Payments | When Payments Are Due |
|---|---|---|
| 360 | $558.77 | Monthly beginning 6/1/81 |

This obligation has a demand feature.

You may obtain property insurance from anyone you want that is acceptable to Mortgage Savings and Loan Assoc.. If you get the insurance from Mortgage Savings and Loan Assoc. you will pay $ 150-/year

**Security:** You are giving a security interest in:
☒ the goods or property being purchased.
☐ _____.

**Late Charge:** If a payment is late, you will be charged $ N/A 5 % of the payment.

**Prepayment:** If you pay off early, you may have to pay a penalty.

**Assumption:** Someone buying your house may, subject to conditions, be allowed to assume the remainder of the mortgage on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

_____
e means an estimate

*H–14—Variable-Rate Mortgage Sample*

This disclosure describes the features of the adjustable-rate mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

*How Your Interest Rate and Payment Are Determined*

• Your interest rate will be based on an index rate plus a margin.

• Your payment will be based on the interest rate, loan balance, and loan term.

—The interest rate will be based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year (your index), plus our margin. Ask us for our current interest rate and margin.

—Information about the index rate is published weekly in the Wall Street Journal.

• Your interest rate will equal the index rate plus our margin unless your interest rate "caps" limit the amount of change in the interest rate.

*How Your Interest Rate Can Change*

• Your interest rate can change yearly.

• Your interest rate cannot increase or decrease more than 2 percentage points per year.

• Your interest rate cannot increase or decrease more than 5 percentage points over the term of the loan.

*How Your Monthly Payment Can Change*

• Your monthly payment can increase or decrease substantially based on annual changes in the interest rate.

• [For example, on a $10,000, 30-year loan with an initial interest rate of 12.41 percent in effect in July 1996, the maximum amount that the interest rate can rise under this program is 5 percentage points, to 17.41 percent, and the monthly payment can rise from a first-year payment of $106.03 to a maximum of $145.34 in the fourth year. To see what your payment is, divide your mortgage amount by $10,000; then multiply the monthly payment by that amount. (For example, the monthly payment for a mortgage amount of $60,000 would be: $60,000÷$10,000=6; 6×106.03=$636.18 per month.)

• You will be notified in writing 25 days before the annual payment adjustment may be made. This notice will contain information about your interest rates, payment amount and loan balance.]

*[Example*

The example below shows how your payments would have changed under this ARM program based on actual changes in the index from 1982 to 1996. This does not necessarily indicate how your index will change in the future. The example is based on the following assumptions:

Amount ..... $10,000
Term ..... 30 years
Payment adjustment ..... 1 year
Interest adjustment ..... 1 year
Margin ..... 3 percentage points
Caps_____ 2 percentage points annual interest rate
_____ 5 percentage points lifetime interest rate
Index_____ Weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year.

| Year (as of 1st week ending in July) | Index (%) | Margin* (percentage points) | Interest Rate (%) | Monthly Payment ($) | Remaining Balance ($) |
|---|---|---|---|---|---|
| 1982 | 14.41 | 3 | 17.41 | 145.90 | 9,989.37 |
| 1983 | 9.78 | 3 | **15.41 | 129.81 | 9,969.66 |
| 1984 | 12.17 | 3 | 15.17 | 127.91 | 9,945.51 |
| 1985 | 7.66 | 3 | **13.17 | 112.43 | 9,903.70 |
| 1986 | 6.36 | 3 | ***12.41 | 106.73 | 9,848.94 |
| 1987 | 6.71 | 3 | ***12.41 | 106.73 | 9,786.98 |
| 1988 | 7.52 | 3 | ***12.41 | 106.73 | 9,716.88 |
| 1989 | 7.97 | 3 | ***12.41 | 106.73 | 9,637.56 |
| 1990 | 8.06 | 3 | ***12.41 | 106.73 | 9,547.83 |
| 1991 | 6.40 | 3 | ***12.41 | 106.73 | 9,446.29 |
| 1992 | 3.96 | 3 | ***12.41 | 106.73 | 9,331.56 |
| 1993 | 3.42 | 3 | ***12.41 | 106.73 | 9,201.61 |
| 1994 | 5.47 | 3 | ***12.41 | 106.73 | 9,054.72 |
| 1995 | 5.53 | 3 | ***12.41 | 106.73 | 8,888.52 |
| 1996 | 5.82 | 3 | ***12.41 | 106.73 | 8,700.37 |

*This is a margin we have used recently; your margin may be different.
**This interest rate reflects a 2 percentage point annual interest rate cap.
***This interest rate reflects a 5 percentage point lifetime interest rate cap.
Note: To see what your payments would have been during that period, divide your mortgage amount by $10,000; then multiply the monthly payment by that amount. (For example, in 1996 the monthly payment for a mortgage amount of $60,000 taken out in 1982 would be: $60,000÷$10,000=6; 6×$106.73=$640.38.)

• You will be notified in writing 25 days before the annual payment adjustment may be made. This notice will contain information about your interest rates, payment amount and loan balance.]

H-15—Graduated Payment Mortgage Sample

**Convenient Savings and Loan** Account number: 4862-88

Michael Jones
500 Walnut Court, Little Creek USA

| ANNUAL PERCENTAGE RATE<br>The cost of your credit as a yearly rate. | FINANCE CHARGE<br>The dollar amount the credit will cost you | Amount Financed<br>The amount of credit provided to you or on your behalf | Total of Payments<br>The amount you will have paid after you have made all payments as scheduled |
|---|---|---|---|
| 15.37 % | $177,970.44 | $43,777 | $221,548.44 |

Your payment schedule will be:

| Number of Payments | Amount of Payments | When Payments Are Due |
|---|---|---|
| 12 | $446.62 | monthly beginning 6\|1\|81 |
| 12 | $479.67 | " " 6\|1\|82 |
| 12 | $515.11 | " " 6\|1\|83 |
| 12 | $553.13 | " " 6\|1\|84 |
| 12 | $593.91 | " " 6\|1\|85 |
| 300 | varying from $637.68 to $627.37 | " " 6\|1\|86 |
| | | |

**Security:** You are giving a security interest in the property being purchased.

**Late Charge:** If a payment is late, you will be charged 5% of the payment.

**Prepayment:** If you pay off early, you
☒ may ☐ will not have to pay a penalty.
☒ may ☐ will not be entitled to a refund of part of the finance charge.

**Assumption:** Someone buying your home cannot assume the remainder of the mortgage on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

e means an estimate

H-16—Mortgage Sample

**You are not required to complete this agreement merely because you have received these disclosures or have signed a loan application.**

**If you obtain this loan, the lender will have a mortgage on your home.**

**YOU COULD LOSE YOUR HOME, AND ANY MONEY YOU HAVE PUT INTO IT, IF YOU DO NOT MEET YOUR OBLIGATIONS UNDER THE LOAN.**

You are borrowing $_____ (optional credit insurance is ☐ is not ☐ included in this amount).

The annual percentage rate on your loan will be: _____%.

Your regular [frequency] payment will be: $_____.
[At the end of your loan, you will still owe us: $ [balloon amount].]

[Your interest rate may increase. Increases in the interest rate could increase your payment. The highest amount your payment could increase is to $_____.]

[46 FR 20892, Apr. 7, 1981, as amended at 46 FR 29246, June 1, 1981; 52 FR 52 FR 48671, Dec. 24, 1987; 53 FR 467, Jan. 7, 1988; Reg. Z, 60 FR 15473, Mar. 24, 1995; 61 FR 49247, Sept. 19, 1996; 62 FR 63444, 63445, Dec. 1, 1997; 62 FR 66179, Dec. 17, 1997; Reg. Z, 63 FR 2723, Jan. 16, 1998; 66 FR 65618, Dec. 20, 2001]

## APPENDIX I TO PART 226—FEDERAL ENFORCEMENT AGENCIES

The following list indicates which federal agency enforces Regulation Z for particular classes of businesses. Any questions concerning compliance by a particular business should be directed to the appropriate enforcement agency. Terms that are not defined in the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the meaning given to them in the International Banking Act of 1978 (12 U.S.C. 3101).