

# IOWA CUSTOMER DISCLOSURE

## PAYMENT REDUCTION FEE\*

The real estate mortgage loan you are requesting is available at different interest rates. These rates are dependent upon the type, term, amount of financing, program selected, and other economic conditions. However, the rate you select may include a "payment reduction fee" (also known as "discount points"). This fee is typically charged when you select a lower than market rate, which will result in lower monthly payments. If your application is approved, your payment reduction fee (if applicable) will be due at closing.

Detailed below is an example of how a payment reduction fee works for a fixed rate loan, with at least 20% down payment and no prepayment penalty. Please note the rates, fees, and payments shown below are only examples. Your loan's terms and conditions will probably be different. Rates and fees are subject to change without notice.

LOAN AMOUNT	TERM IN YEARS	INTEREST RATE	DISCOUNT POINTS	PAYMENT REDUCTION FEES	MONTHLY PRINCIPAL & INTEREST PAYMENT
\$350,000.00	15	3.875%	0.000%	None	\$2,567.21
\$350,000.00	15	3.750%	0.750%	\$2,625.00	\$2,545.45
\$350,000.00	15	3.690%	1.000%	\$3,500.00	\$2,535.04
\$350,000.00	15	3.625%	1.250%	\$4,375.00	\$2,523.80
\$350,000.00	15	3.500%	1.875%	\$6,562.50	\$2,502.26
\$350,000.00	30	4.750%	0.000%	None	\$1,825.97
\$350,000.00	30	4.625%	0.750%	\$2,625.00	\$1,799.69
\$350,000.00	30	4.590%	1.000%	\$3,500.00	\$1,792.37
\$350,000.00	30	4.560%	1.250%	\$4,375.00	\$1,786.10
\$350,000.00	30	4.500%	1.750%	\$6,125.00	\$1,773.60

\* Payment reduction fees are sometimes referred to as "discount points" and/or "buydowns." Terminology differences can be explained by this lender's representative.

If you have questions or to obtain current rates and fees, please contact this lender's representative.

# Advance Fee Disclosure

## Charges/Fees

You will be receiving a *Good Faith Estimate* which outlines the fees we estimate you will be charged in connection with your mortgage application. Listed below is a description of the fees that could be charged in connection with your mortgage application. All of the fees listed below may not apply to your mortgage application. Please refer to your *Good Faith Estimate* for the charges that apply to your mortgage application. If for some reason your loan does not close, please refer to the *Agreement Concerning Non-refundability of Advance Fees* for the amount that could be retained.

The following fees are collected at closing and are **non-refundable**.

**Appraisal fee** – This fee is charged in connection with obtaining an appraisal to determine the value of the property for lending purposes and is for actual costs incurred. If collected in advance, this fee is **non-refundable**.

**Credit report fee** – This fee covers the costs of obtaining a credit report from a “consumer reporting agency” (credit bureau) which will enable us to determine your credit standing and credit history. If collected in advance, this fee is **non-refundable**.

**Flood zone determination** – This fee may be charged in connection with your mortgage application and is for the actual cost of determining if your property is in a flood zone. This fee is usually collected at closing.

**Loan discount points** – A charge for the interest rate chosen that reduces the interest rate charged at closing.

**Our origination charges** – The charge for obtaining this loan for you. At closing, this fee is reflected in the adjusted originations charge section. A portion of the loan origination charge may be retained as outlined in the *Agreement Concerning Non-refundability of Advance Fees* and is **non-refundable** if the loan does not close.

**Other third party charges** – Specific charges paid by or incurred by us including but not limited to inspections, tax service fee, overnight mail or other expedited delivery charges. Please refer to the *Good Faith Estimate* for an estimate of fees and charges payable in connection with your mortgage application.

For the fees listed in this document, if the application is for a refinance and you exercise your right to rescind, all fees listed are refundable.

## Refundability

Once fees have been collected, they are not refundable except as stated in this document.