

RHODE ISLAND HOME LOAN PROTECTION ACT DISCLOSURE
HIGH-COST HOME LOAN

This disclosure is being provided to you in order to afford you the protections intended by R.I. Gen. Laws § 34-25.2-1 et seq., *The Rhode Island Home Loan Protection Act*, which protects consumers from certain loan brokering and lending practices. One of these statutory protections, R.I. Gen. Laws § 34-25.2-6, imposes certain requirements and prohibited practices upon "high-cost home loans."

WHAT IS A "HIGH-COST HOME LOAN?" It is a home loan (other than a reverse mortgage transaction) in which the terms of the loan meet or exceed one or more of the following rate or points and fees thresholds:

THE RATE

1. For a first lien mortgage home loan: the interest rate equal to eight (8) percentage points over the yield on comparable United States treasury securities on the fifteenth (15th) day of the month immediately preceding the month in which the loan application was received by the lender; and
2. For a subordinate mortgage lien, an interest rate equal to nine (9) percentage points over the yield on comparable United States treasury securities on the fifteenth (15th) day of the month immediately preceding the month in which the loan application was received by the lender.

POINTS AND FEES

1. For loans in which total amount that is borrowed (as reflected on the face amount of the note) is \$50,000 or more: the total points and fees payable in connection with the home loan less any excluded points and fees exceed five percent (5%) of the total loan amount.
2. For loans in which total amount that is borrowed (as reflected on the face amount of the note) is less than \$50,000: the total points and fees payable in connection with the home loan less any excluded points and fees exceed eight percent (8%) of the total loan amount.

My lender and loan broker have told me that I: *(CHECK ONE)* DO _____ OR DO NOT _____
HAVE A HIGH-COST HOME LOAN.

MY FULLY INDEXED INTEREST RATE IS: _____ *(TO BE FILLED OUT BY LENDER/LOAN
BROKER AND SIGNED/CONFIRMED BY BORROWER)*

Borrower: _____ Date: _____

LENDERS AND LOAN BROKERS ARE REQUIRED BY LAW AND REGULATION FROM ENGAGING IN CERTAIN PRACTICES THAT PERTAIN TO ALL HOME LOANS AND ADDITIONAL PRACTICES THAT APPLY TO HIGH-COST HOME LOANS. AT THE TIME YOUR APPLICATION WAS SUBMITTED YOU SHOULD HAVE RECEIVED TWO DISCLOSURES ENTITLED "PROHIBITED ACTS AND PRACTICES REGARDING HOME LOANS AND HIGH-COST HOME LOANS" WHICH INFORM YOU OF THESE PROHIBITIONS AND/OR LIMITATIONS. The Lender and Loan Broker hereby certify that they have provided you with TWO Disclosures (IN ADDITION TO THIS DISCLOSURE) to inform you of the Prohibited Acts and Practices Regarding Home Loans and High-Cost Home Loans. You should read, sign and date the disclosures, and keep copies for your records.

Loan Broker: _____ Date: _____

Lender: _____ Date: _____

Borrower: _____ Date: _____

THIS FORM IS TO BE PROVIDED TO THE BORROWER AS SOON AS HIGH-COST HOME LOAN IS DETERMINED BY LENDER OR LOAN BROKER BUT NO LATER THAN TEN (10) BUSINESS DAYS PRIOR TO CLOSING. BORROWER MUST COMPLETE AND LENDER AND LOAN BROKER MUST RECEIVE CERTIFICATE OF FACE-TO-FACE COUNSELING WITH A THIRD PARTY NONPROFIT ORGANIZATION APPROVED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PRIOR TO MAKING ANY HIGH COST HOME LOAN.