

**PROHIBITED ACTS OF LENDERS AND LOAN BROKERS
IN R.I. GEN. LAWS § 34-25.2-1 ET SEQ.**

PROHIBITED ACTS AND PRACTICES DISCLOSURE REGARDING ALL HOME LOANS

1. No financing, either directly or indirectly, of any credit life, credit disability, credit unemployment, or credit property insurance, or any other life or health insurance, or any payments either directly or indirectly for any debt cancellation or suspension agreement or contract. Any insurance premiums or debt cancellation or suspension fees that are **CALCULATED** and **PAID IN FULL** on a monthly basis shall not be considered financed.
2. No knowing or intentional engagement in the unfair act or practice of "flipping a home loan." Flipping a home loan is the making of a home loan to a borrower that refinances an existing home loan that was consummated within the prior 60 months when the new loan does not have reasonable, tangible net benefits in accordance with subsection 34-25.2-4(q) to the borrower considering all of the circumstances, including, but not limited to, the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances.
3. No lender or loan broker shall recommend or encourage default on an existing loan or other debt prior to and in connection to the closing or planned closing of a home loan that refinances all or any portion of such existing loan or debt.
4. No home loan may contain a provision that permits the creditor (lender or loan broker), in its sole discretion, to accelerate the indebtedness. This provision does not prohibit the acceleration of the loan in good faith due to the borrower's failure to abide by the material terms of the loan.
5. No home loan may contain a provision that allows a party to require a borrower to assert any claim or defense in a forum that is less convenient, more costly, or more dilatory for the resolution of a dispute than a judicial forum established in this state where the borrower may otherwise properly bring a claim or defense or limits in any way a claim or defense the borrower may have.

Loan Broker: _____ Date: _____

Lender: _____ Date: _____

Borrower(s): _____ Date: _____

THIS FORM MUST BE PROVIDED NO LATER THAN THREE (3) BUSINESS DAYS OF APPLICATION.