

IOWA REDUCTION FEE DISCLOSURE (LOAN DISCOUNT)

Borrower Name(s):

Lender:

Date:

Property Address:

Loan Number:

Loan Amount:

This disclosure explains the effects of your election to pay a payment reduction fee, commonly known as a loan discount fee. A payment reduction fee is paid to obtain a lower interest rate which will reduce the amount of your monthly payments. Below is a comparison of your monthly principal and interest payment on a loan without paying the reduction fee and on a loan with paying the reduction fee.

WITHOUT PAYMENT REDUCTION FEE

Mortgage Amount _____

Current Market Interest Rate _____ %

Monthly Principal and Interest _____

WITH PAYMENT REDUCTION FEE

Mortgage Amount _____

Discount Fee _____ % \$ _____

Reduced Interest Rate _____ %

Reduced Principal and Interest _____

The above payments are for principal and interest only. If applicable, additional amounts will be included in the payment to cover the cost of taxes, insurance, and mortgage insurance. These additional numbers are not affected by the interest rate on the loan. Please note that if you have not yet locked in an interest rate, all interest rates, payment reduction fees, and principal and interest payments as listed above may change prior to loan funding.

[IA Code Section 535.8(3)]

I/We have read the above disclosure and acknowledge receiving a copy by signing below.

Borrower

Date

Borrower

Date

Borrower

Date

Borrower

Date