

Informed Consumer Choice Disclosure Notice

In addition to an FHA-insured mortgage, you may also qualify for other mortgage products offered by your lender. To assure that you are aware of possible choices in financing, your lender has prepared a comparison of the typical costs of alternative conventional mortgage product(s) below, using representative loan amounts and costs (the actual loan amounts and associated costs shown below will vary from your own mortgage loan transaction). You should study the comparison carefully, ask questions, and determine which product is best for you. The information provided below was prepared as of _____.

Neither your lender nor FHA warrants that you actually qualify for any mortgage loan offered by your lender. This notice is provided to you to identify the key differences between these mortgage products offered by your lender. **This disclosure is not a contract and does not constitute loan approval.** Actual mortgage approval can only be made following a full underwriting analysis by your mortgage lender.

		FHA Financing 203(b) Fixed Rate	Conventional Financing 95% with Mortgage Insurance (MI)
1.	Sales Price	\$100,000	\$100,000
2.	Mortgage Amount	\$96,500 (\$98,188 with upfront Mortgage Insurance Premium)	\$95,000
3.	Closing Costs	\$2,000	\$2,000
4.	Downpayment Needed	\$3,500	\$5,000
5.	Interest Rate and Term of Loan in Years	5.00% / 30 Year Loan	5.00% / 30 Year Loan
6.	Monthly Payment (principal and interest only)	\$527.09	\$509.98
7.	Loan-to-Value	96.50%	95%
8.	Monthly Mortgage Insurance	\$107.90 ¹	\$53.04
9.	Maximum Number of Years of Monthly Insurance Premium Payments	Loan Term	Approx. 9.9 Years
10.	Upfront Mortgage Insurance Premium (if applicable)	\$1688.00 ² (Included in Mortgage Amount, line 2)	N/A

¹ Monthly mortgage insurance premiums are calculated on the average annual principal balance, i.e., as the amount you owe on the loan decreases each year, so does the amount of the monthly premium.

² Based on an upfront mortgage insurance premium rate of 1.750%.

Monthly Insurance Premiums

In addition to an upfront mortgage insurance premium (UFMIP), you may also be charged a monthly mortgage insurance premium. You will pay the monthly premium for either:

- The first 11 years of the mortgage term, or the end of the mortgage term, whichever occurs first, if your mortgage had an original principal obligation (excluding financed UFMIP) with a loan-to-value (LTV) ratio of less than or equal to 90 percent; or
- The first 30 years of the mortgage term, or the end of the mortgage term, whichever occurs first, for any mortgage involving an original principal obligation (excluding financed UFMIP) with an LTV greater than 90 percent.

Borrower

Date

Co-Borrower

Date