

Periodic Disclosure of Interest Rate Change
for Home Equity Conversion Mortgage (HECM)
(Suggested Form)

Lender Name

Date

Address

Telephone Number

Borrower(s) Name

Address

RE: NOTICE OF CHANGES IN YOUR INTEREST RATE ON YOUR ADJUSTABLE RATE
HECM

Dear Borrower:

On _____ [date], the interest rate on your adjustable rate HECM
will _____ [increase/decrease] from _____% to _____%.

Your present interest rate was based on an index value of ____%. To
determine your new interest rate, we added the current index value of
____% as of _____ [date index was issued], to the agreed upon
margin of ____% for a total of ____%. [This new rate has/hasn't been
rounded to the nearest 1/8th percent, circle to indicate rounding, or not].

Your new interest rate of ____% may not be more than two percentage
points higher or lower than your prior rate of ____%.* The initial
interest rate on your mortgage was ____%, which may not be increased
beyond ____% during the life of the mortgage.

If you have any questions, please call _____ at the
telephone number listed above.

Sincerely,

Note: If the annual Periodic Disclosure of Interest Rate Change is
designed to include all the essential factors for calculation of
the new interest rate, a file copy should be sufficient to
reflect the computation.

* if applicable