

VHDA/FHA
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 April 2013.

Neither your lender nor FHA warrants that you actually qualify for any mortgage loan offered by your lender. This notice is provided 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 with PMI
1	Sales Price	\$100,000	\$100,000
2	Mortgage Amount	\$96,500 (\$98,188 w/Upfront Mortgage Insurance Premium)	\$97,000
3	Closing Costs	\$3,000	\$3,000
4	Downpayment Needed ¹	\$6,500	\$6,000
5	Interest Rate and Term of Loan in Years	5.50%/30 Year Loan	5.50%/30 Year Loan
6	Monthly Payment (principal and interest only)	\$558	\$551
7	Loan-to-Value	98.25%	97%
8	Monthly Mortgage Insurance Premium (first year)	\$100.52 ²	\$87.30
9	Maximum Number of Years of Monthly Insurance Premium Payments	Life of Loan	Approximately: 12 Years
10	Upfront Mortgage Insurance Premium (if applicable)	\$1688 ³ (Included in Mortgage Amount, line 2)	N/A

FHA Mortgage Insurance Premium Information:

You paid an upfront mortgage insurance premium. You will also be charged a monthly mortgage insurance premium for the life of the loan.

If you have a 15-year mortgage, you will be charged a monthly mortgage insurance premium for 11 years.

You are required to make these payments on your FHA-insured loan unless you refinance or the mortgage is otherwise paid in full.

¹ Stated downpayment amount includes closing costs identified in line 3 above.

² Monthly FHA 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.

³ Based on an upfront FHA mortgage insurance premium rate of 1.75%.