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Suggested Form of Periodic Disclosure ARM Notice  
for a Reverse Mortgage

Lender Name

Date

Address

Telephone No.

Borrower(s) Name

Address

RE: Notice of changes in your interest rate on your adjustable rate reverse mortgage.

Dear Borrower:

On \_\_\_\_\_ (date) \_\_\_\_\_, the interest rate on your adjustable rate reverse mortgage (ARM) 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 \_\_\_\_\_, to the agreed upon margin of \_\_\_\_\_% for a total of \_\_\_\_\_% (rounded to the nearest 1/8th percent).

(\*Your new interest rate of \_\_\_\_\_% may not be more than two percent 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, or you may use the toll-free numbers previously provided.

Sincerely,

NOTE: If the annual ARM Notice 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