

**RHODE ISLAND HOME LOAN PROTECTION ACT DISCLOSURE**  
**HIGH-COST HOME LOAN**

This disclosure is being provided to you in order to afford you the protections intended by R.I. Gen. Laws § 34-25.2-1 *et seq.*, *The Rhode Island Home Loan Protection Act*, which protects consumers from certain loan brokering and lending practices. One of these statutory protections, R.I. Gen. Laws § 34-25.2-6, imposes certain requirements and prohibited practices upon “High-Cost Home Loans.”

**WHAT IS A “HIGH-COST HOME LOAN?”** It is a Home Loan (other than a reverse mortgage transaction) in which the terms of the loan meet or exceed **one or more** of the following rate or Points and Fees thresholds:

**THE RATE**

1. For a first lien mortgage Home Loan: the interest rate equal to eight (8) percentage points over the yield on comparable United States treasury securities on the fifteenth (15<sup>th</sup>) day of the month immediately preceding the month in which the loan application was received by the lender; and
2. For a subordinate mortgage lien, an interest rate equal to nine (9) percentage points over the yield on comparable United States treasury securities on the fifteenth (15<sup>th</sup>) day of the month immediately preceding the month in which the loan application was received by the lender.

**POINTS AND FEES**

1. For loans in which total amount that is borrowed (as reflected on the face amount of the note) is **\$50,000 or more**: the total Points and Fees payable in connection with the Home Loan less any excluded Points and Fees exceed five percent (5%) of the total loan amount.
2. For loans in which total amount that is borrowed (as reflected on the face amount of the note) is **less than \$50,000**: the total Points and Fees payable in connection with the Home Loan less any Excluded Points and Fees exceed eight percent (8%) of the total loan amount.

**My Creditor\* has told me that I DO HAVE A HIGH-COST HOME LOAN.**

A Creditor may not make a High-Cost Home Loan without first receiving certification from a counselor with a third-party nonprofit organization approved by the United States Department of Housing and Urban Development that the borrower(s) has (have) received face-to-face counseling on the advisability of the loan transaction.

**You should Search online for a HUD certified counseling agency near you at:**

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=RI>,

**or call HUD's interactive voice response system at: (800) 569-4287.**

**CREDITOR MUST PROVIDE INFORMATION BELOW IF THE NEW HOME LOAN IS AN ADJUSTABLE RATE LOAN:**

**MY FULLY INDEXED INTEREST RATE IS: \_\_\_\_\_% .**

**THE MAXIMUM INTEREST RATE UNDER THE TERMS OF THIS HOME LOAN MAY INCREASE TO: \_\_\_\_\_%.**

**THE MAXIMUM AMOUNT OF THE MONTHLY PRINCIPAL AND INTEREST PAYMENT UNDER THE TERMS OF THIS LOAN APPLYING THE MAXIMUM INTEREST RATE MAY BE:\$ \_\_\_\_\_**

\* "Creditor" means any person who Regularly Makes Available a home loan and shall include a loan broker

**CREDITOR IS REQUIRED BY LAW AND REGULATION TO REFRAIN FROM ENGAGING IN CERTAIN PRACTICES THAT PERTAIN TO ALL HOME LOANS AND ADDITIONAL PRACTICES THAT APPLY TO HIGH-COST HOME LOANS. AT THE TIME YOUR APPLICATION WAS SUBMITTED YOU SHOULD HAVE RECEIVED TWO DISCLOSURES ENTITLED "PROHIBITED ACTS AND PRACTICES REGARDING HOME LOANS AND HIGH-COST HOME LOANS" WHICH INFORM YOU OF THESE PROHIBITIONS AND/OR LIMITATIONS.**

**The Creditor hereby certifies that it has provided you with TWO Disclosures (IN ADDITION TO THIS DISCLOSURE) to inform you of the Prohibited Acts and Practices Regarding Home Loans and High-Cost Home Loans. You should read, sign and date the disclosures, and keep copies for your records. The Borrower(s) acknowledges that the Creditor has explained the contents of this disclosure.**

Creditor: \_\_\_\_\_

\_\_\_\_\_  
Creditor's Authorized Representative

Date: \_\_\_\_\_

Borrower(s): \_\_\_\_\_

Date: \_\_\_\_\_

Borrower(s): \_\_\_\_\_

Date: \_\_\_\_\_

**THIS FORM IS TO BE PROVIDED TO THE APPLICANT AT SUCH TIME THAT IT IS DETERMINED BY THE CREDITOR THAT THE NEW LOAN IS A "HIGH-COST HOME LOAN," BUT IN SUFFICIENT TIME AS TO ENABLE THE APPLICANT TO RECEIVE, PRIOR TO CLOSING THE LOAN, FACE-TO-FACE COUNSELING ON THE ADVISABILITY OF THE HIGH-COST HOME LOAN TRANSACTION, WITH A THIRD-PARTY NON PROFIT ORGANIZATION. APPLICANT MUST COMPLETE AND CREDITOR MUST RECEIVE A CERTIFICATE OF FACE-TO-FACE COUNSELING WITH A THIRD-PARTY NON PROFIT ORGANIZATION APPROVED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PRIOR TO MAKING ANY HIGH-COST HOME LOAN.**