

## Suggested changes to Proposed Draft No. 2

If your loan is an ARM, your starting *simple* interest rate is \_\_\_\_\_ % for \_\_\_\_\_ months. Then your rate and the amount you pay can go up. *The rate can go up as high as \_\_\_\_\_% and the payment as high as \$\_\_\_\_\_ at the first adjustment on \_\_\_\_\_.* *Upward adjustments can occur every \_\_\_\_\_ thereafter.* The most you would have to pay every month is \$\_\_\_\_\_. The highest interest rate you may have to pay is \_\_\_\_\_%.

Your loan DOES HAVE A PREPAYMENT fee. This means that you can be charged *as much as \$\_\_\_\_\_* if you pay all or most of *the balance* off early.

Your loan DOES HAVE A BALLOON PAYMENT. This means you will have to pay off the *entire* balance at once at a certain time. If you do not have the money and cannot refinance (get a new loan), you can *lose* your *home*.