VETERANS ADMINISTRATION
INTEREST RATE AND DISCOUNT DISCLOSURE STATEMENT

This statement regarding the interest rate and discount points that you may pay on a mortgage guaranteed by VA (Department of Veterans Affairs) must be delivered to you prior to execution of the borrower's certification on the HUD/VA Addendum to the Uniform Residential Loan Application.

VA does not establish the interest rate for mortgage loans to be guaranteed or set either a maximum or minimum for mortgage loans to be guaranteed, on the interest rate or on discount points that may be paid by you. This means that you may pay such interest rate and discount points as you and the lender agrees upon. The seller may also pay the discount points, or a portion thereof, if you and the seller agree to such an arrangement.

It is important for you to understand that the interest rate and discount points and the length of time the lender will honor the loan terms are all freely negotiable with the lender. Lenders may agree to offer the loan terms for a definite period of time, (i.e., 30, 60, or 90 days), or may refuse to do so. This arrangement is commonly referred to as a lock-in agreement. Keep in mind that your agreement with the seller will also affect the date you can close your loan.

The terms of your agreement with the lender will determine the degree, if any, that the interest rate and discount points may change before closing. An increase of more than one percent (1.00%) in the interest rate requires re-underwriting of the loan approval by VA or by the lender. It may be necessary for the lender to obtain your signature on a new application. If, after re-underwriting, it is determined that you remain qualified from a credit risk standpoint, the conditions of your agreements with the lender and the seller may require you to complete the transaction or lose your deposit.

IT IS YOUR RESPONSIBILITY TO ASSURE THAT YOU UNDERSTAND THE TRANSACTION.

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Borrower: Date Borrower: Date