

MARYLAND

DISCLOSURE OF CERTAIN MORTGAGE LOAN PROVISIONS

Pursuant to MD Regs. Code tit. 9, §03.10.03.

- BALLOON PAYMENT:** This mortgage loan contains a balloon payment provision. A balloon payment is a scheduled lump sum usually due at the end of the mortgage loan term that is significantly larger than the other regularly scheduled periodic payments. If you cannot pay the balloon payment when due, you may have to obtain a new loan to make the balloon payment or you may lose your property through foreclosure. Before deciding to take this loan, consider your ability to pay the balloon payment when it comes due. The balloon payment on the mortgage loan you have applied for is due _____ (insert number of months) from the date your mortgage loan begins.

- ESCROW ACCOUNT:** YOU ARE RESPONSIBLE FOR PROPERTY TAX AND HOMEOWNER'S INSURANCE PAYMENTS IN ADDITION TO YOUR REGULARLY SCHEDULED PERIODIC MORTGAGE LOAN PAYMENT. The terms of your mortgage loan do not provide for the establishment of an escrow account from which your property taxes and homeowner's insurance will be paid. This means that your regularly scheduled periodic mortgage loan payment does not cover these sums and you are responsible for paying property taxes and home insurance premiums when the bills arrive. You will need to consider your ability to pay these tax and insurance amounts in addition to paying your regularly scheduled mortgage loan payment.

- MANDATORY BINDING ARBITRATION:** The mortgage loan you have applied for contains a mandatory binding arbitration provision. This means that, as to the matters covered by the arbitration provision, you are giving up your right to a jury or court trial if you have a dispute with the Lender. Read your mortgage loan documents carefully to understand how mandatory binding arbitration will impact your rights to resolve disputes.

ACKNOWLEDGEMENT

Each of the undersigned Borrower(s) acknowledge receipt of this Disclosure of Certain Mortgage Loan Provisions.

Date

Date

Date

Date