



CIG REALTY & LOANS

Option Arm Loan Disclosure Form

Please read and initial the following checklist to confirm your understanding of the loan for which you have applied.

_____ I/We understand the loan for which we have applied is an adjustable rate mortgage (ARM).

_____ I/We understand that this loan has up to four (4) payment options each month; minimum amount, interest only, principal and interest, or a 15 year plan. This allows the flexibility to change what I/we pay monthly.

_____ I/We understand the loan for which we have applied for has a low minimum payment rate of _____%

_____ I/We understand the minimum payment will not increase more than 7.5% annually for _____ years, unless the total amount owed becomes greater than _____% of the original loan amount.

_____ I/We understand the lifetime interest rate cap is _____%

_____ I/We understand there is a _____ year prepayment penalty.

_____ I/We understand the fully indexed rate charged on the loan balance is calculated on a monthly basis.

_____ I/We understand that when choosing the minimum payment, my payment may not cover the total interest due and deferral interest can occur. The unpaid portion is added to my/our loan balance and may be paid off at any time.

_____ I/We understand that it is what I/we do with the savings that makes the difference.

Borrower

Date

Co-Borrower

Date