

Latvian Cleveland Credit Union

SERVICING DISCLOSURE STATEMENT

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED.

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

Servicing Transfer Information

We may assign, sell, or transfer the servicing of your loan while the loan is outstanding.

We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.

The loan for which you have applied will be serviced at this financial institution and we do not intend to sell, transfer, or assign the servicing of the loan.

I / We have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below. I / We understand that this acknowledgment is required as part of the mortgage loan application.

Borrower

Date

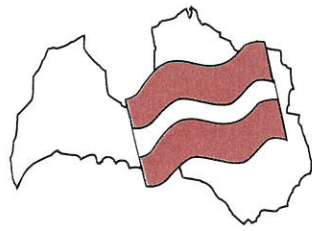
Borrower

Date

1385 Andrews Avenue • Lakewood, Ohio 44107

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Latvian Cleveland
Credit Union

APPRAISAL DISCLOSURE

We may order an appraisal to determine the property's value and charge you for this appraisal. The cost varies from state to state. Please see the Loan Request instructions for further details. We will promptly give you a copy of any completed appraisal. If your loan does not close but the appraisal was completed, you will still be required to pay for its cost.

Signature

Signature

VARIABLE RATE MORTGAGE PROGRAM DISCLOSURE

(This is neither a contract nor a commitment to lend)

LENDER: **Latvian Cleveland Credit Union, Inc.**

VARIABLE RATE LOAN PROGRAM: **First Mortgage Loan Program**

This disclosure describes the features of the adjustable-rate mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

How Your Interest Rate and Payment are Determined

- * Your interest rate will be based on an index rate plus a margin.
- * Your payment will be based on the interest rate, loan balance, and loan term.
 - The interest rate will be based on the weekly average yield on United States Treasury Securities adjusted to a constant maturity of five years, plus our margin. Ask us for our current interest rate and margin.
 - Information about the index is published in the Federal Reserve Statistical Release (H.15).
- * Your interest rate will equal the index rate plus our margin unless your interest rate "caps" limit the amount of change in the interest rate.
- * Example below reflects the first week ending in the month stated.

How Your Interest Rate Can Change

- * Your interest rate can change every 60 months.
- * Your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment.
- * Your interest rate cannot increase or decrease more than 5.000 percentage points over the term of the loan.
- * Your interest rate will be rounded to the nearest 0.125% at each adjustment.

How Your Monthly Payment Can Change

- * Your monthly payment can increase or decrease substantially based on changes in the interest rate.
- * For example, on a \$10,000, 30 year loan with an initial interest rate of 6.875 percent (interest rate reflective of index plus margin) in effect in January 1999, the maximum amount that the interest rate can rise under this program is 5.0 percentage points, to 11.875 percent, and the monthly payment can rise from a first-year payment of \$65.69 to a maximum of \$94.68 in the Sixteenth year.
- * To see what your payments would be, divide your mortgage amount by \$10,000; then multiply the monthly payment by that amount. For example, the monthly payment for a mortgage amount of \$60,000 would be:
$$\$60,000 \div \$10,000 = 6.0 \times 65.69 = 394.14.$$
- * You will be notified in writing at least 25 days before the due date of a payment at a new level. This notice will contain information about your index, interest rates, payment amount, and loan balance.

I/We hereby acknowledge receipt of this variable rate program disclosure and a copy of the Consumer Handbook on Adjustable Rate Mortgages on the date indicated below.

Latvian Cleveland Credit Union, Inc.

Lender

Borrower/Date

Authorized Representative/Date

Borrower/Date