

HOME EQUITY CONVERSION MORTGAGE PAYMENT PLAN

Date of Payment Plan: \_\_\_\_\_

FHA Case Number: \_\_\_\_\_

Name of Lender: \_\_\_\_\_

Name of Borrower(s)

Birthdate(s)

\_\_\_\_\_

\_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_

\_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_

\_\_\_\_/\_\_\_\_/\_\_\_\_

Expected Average Mortgage Interest Rate

\_\_\_\_\_ %

1. Principal Limit \$ \_\_\_\_\_

Initial Payments (if completed at closing)

2. Closing Costs \$ \_\_\_\_\_

3. Discharge of Liens \$ \_\_\_\_\_

4. Outstanding Balance  
(if completed after closing) \$ \_\_\_\_\_

5. Loan Advance \$ \_\_\_\_\_

6. Servicing Fee Set Aside \$ \_\_\_\_\_

7. Total Deductions from Principal Limit  
(Lines 2 + 3 + 4 + 5 + 6) \$ \_\_\_\_\_

8. Principal Limit for Line of Credit \$ \_\_\_\_\_

Funds in Line of Credit Designated for:

9. Repairs \$ \_\_\_\_\_

10. First Year Property charges \$ \_\_\_\_\_

11. Outstanding Balance on Line of Credit  
from previous payments \$ \_\_\_\_\_

12. Total Deductions from Principal Limit for  
Line of Credit (Lines 9 + 10 + 11) \$ \_\_\_\_\_

13. Funds Available to Borrower in Line of Credit  
(Lines 8 - 12) \$ \_\_\_\_\_

14. Net Principal Limit (lines 1 - 7 - 9 - 10) \$ \_\_\_\_\_

15. Net Principal Limit Available for Monthly Payments  
(Lines 14 - 13) \$ \_\_\_\_\_

Scheduled Payments:

16. Term (Remaining) \_\_\_\_ Yrs. \_\_\_\_ Mos.  
or

17. Tenure \_\_\_\_ (check only one: term or tenure)

|                                         |          |
|-----------------------------------------|----------|
| 18. Monthly Payment (Total)             | \$ _____ |
| 19. Monthly Withholding (T & I)         | \$ _____ |
| 20. Net Monthly Payment (Lines 18 - 19) | \$ _____ |

(For graduated monthly payments from a line of credit, see attached schedule.)

By signing below, the borrower(s) agree(s) that this document accurately describes the principal features of the current payment plan chosen by the borrower(s).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

#### INSTRUCTIONS FOR COMPLETING THE BORROWER'S PAYMENT PLAN

The form on Pages 1 and 2 of this Appendix is completed both at closing and whenever the borrower chooses a different payment option or has his or her payment plan re-calculated. If the form is completed at closing, it must be attached to the Loan Agreement (Appendix 7).

Line 1. The borrower's current principal limit is entered on this line, whether the form is completed at closing or after the mortgage has closed. This figure is calculated according to the instructions in Chapter 5.

Line 2. Any closing costs to be financed by the mortgage are to be entered on this line when the mortgage is closed.

Line 3. The amount of any debts to be paid off at closing should be entered on this line. These debts include existing liens on the property and delinquent Federal debts. Liens on the property which will be subordinated should not be entered on this line.

Line 4. The current outstanding balance on the mortgage should be entered on this line if the form is completed after closing. The outstanding balance is the amount of any payments made to or on behalf of the borrower in form of line of credit or monthly payments plus any interest and fees that have accrued since those payments were made.

Line 5. The amount of any payment made to the borrower at closing, or as an unscheduled payment accompanying a payment plan change after closing, should be entered on this line.

Line 6. The amount necessary to pay for servicing costs for the life of the mortgage should be entered on this line. This amount is set aside from the principal limit at closing and a fee is disbursed from these funds monthly to cover servicing costs. Refer to Chapter 5 for instructions regarding servicing fee set aside calculations.

Line 7. The total of Lines 2 through 6 is entered on this line.

Line 8. The current principal limit for the borrower's line of credit should be entered on this line. At closing, this figure is simply the amount set aside by the borrower for the line of credit, including funds for repairs and property charges. After closing, this figure is the present value of any funds previously

set aside for the line of credit, plus any additional funds the borrower wishes to set aside, or, minus any funds that the borrower wishes to remove from the line of credit to allot to monthly payments at the time the form is completed. Refer to Chapter 5 for calculations.

Line 9. The amount of funds necessary to pay for required repairs should be entered on this line. The amount can be found on the Repair Rider to the Loan Agreement completed at closing. If this form is completed after closing, the line should have any funds remaining for required repairs that have not been completed. Refer to Chapter 3 for repair requirements.

Line 10. The amount of any funds, owed by the borrower, necessary to pay for property charges to be assessed during the first year of the mortgage, that can not be collected after the mortgage has closed, should be entered on this line.

Line 11. The outstanding balance on the borrower's line of credit should be entered on this line. This figure is the sum of any payments made from the borrower's line of credit plus any interest that has accrued on those payments since they were made. The outstanding balance on any payments made from the line of credit must be kept separate from the outstanding balance on any other payments made from the mortgage.

Line 12. The total of Lines 9 through 11 should be entered on this line and is the amount that is deducted from the principal limit for the line of credit to determine the amount of funds available to the borrower from the line of credit.

Line 13. The difference between Lines 8 and 12 should be entered on this line. This is the net principal limit for the borrower's line of credit, or the amount available to the borrower from the line of credit at the time that this form is completed.

Line 14. The result of subtracting Lines 7, 9 and 10 from Line 1 is entered on this line and is the borrower's net principal limit, or the amount available to the borrower at the time the form is completed, through any combination of a cash advance, line of credit payment, or monthly payments.

Line 15. The difference between Lines 14 and 13 should be entered on this line. This figure is the net principal limit for monthly payments, or the amount of funds available to the borrower that can be paid out monthly.

Line 16. This line should be completed if the borrower wishes to receive monthly payments for a specified term. The term chosen by the borrower should be entered next to the selection. If the form is completed after closing, and the borrower is not changing the term previously chosen, the remaining time left in the term should be entered.

Line 17. This line should be completed if the borrower wishes to receive monthly payments for the rest of his or her life, as long as he or she remains in the home.

Line 18. The monthly payment calculated from the formula in Appendix 22 should be entered in this line. Refer to Chapter 5 for instructions regarding monthly payment calculations.

Line 19. The monthly amount necessary to cover one-twelfth (1/12) of the

borrower's annual property charges should be entered on this line. This amount is deducted from the borrower's monthly payment but is not added to the outstanding balance until the charges are actually paid.

Line 20. The difference between Lines 18 and 19 should be entered on this line. This figure is the actual monthly payment that the borrower will receive.

If the lender and the borrower have established a graduated payment schedule from the funds available in the borrower's line of credit, that schedule should be attached to this form.