

IF YOUR LOAN HAS A 1-YEAR PREPAYMENT PENALTY:

- Full Prepayment: If you fully repay the unpaid principal balance owing on your Note during the first 12 months of the Note’s term, Note Holder will charge you a prepayment fee in an amount equal to 2% of your full prepayment.
- Partial Prepayment: If the loan permits less than a fully-amortizing payment, a “partial prepayment” is any amount paid in a month that is greater than the interest due in such month. Otherwise, a “partial prepayment” is any amount paid in a month that is greater than the monthly payment due in such month. If you make one or more partial prepayments during the first 12 months of the Note and the total of your partial prepayment(s) exceeds 20% of the Note’s original loan amount, you will pay a prepayment fee in an amount equal to 2% of that portion of the total of all such partial prepayment amounts that exceed 20% of the Note’s original loan amount.

IF YOUR LOAN HAS A 2-YEAR PREPAYMENT PENALTY:

- Full Prepayment: If you fully repay the unpaid principal balance owing on your Note during the first 24 months of the Note’s term, Note Holder will charge you a prepayment fee in an amount equal to a percentage of the amount prepaid as follows: (i) a sum equal to 2% if you prepay during the first twelve (12) months of the Note term; (ii) a sum equal to 2% if you prepay during the 13th through 24th months of the Note term.
- Partial Prepayment: If the loan permits less than a fully-amortizing payment, a “partial prepayment” is any amount paid in a month that is greater than the interest due in such month. Otherwise, a “partial prepayment” is any amount paid in a month that is greater than the monthly payment due in such month. If you make one or more partial prepayments during the first 24 months of the Note and the total of your partial prepayment(s) exceeds 20% of the Note’s original loan amount in any consecutive 12-month period (the “Excess Partial Prepayment”), Note Holder will charge you a prepayment fee in an amount equal to a percentage of the Excess Partial Prepayment as follows: (i) 2% of your Excess Partial Prepayment that is made during the first 12 months of the Note term; and (ii) 2% of your Excess Partial Prepayment that is made during the 13th through 24th months of the Note term.

IF YOUR LOAN HAS A 3-YEAR PREPAYMENT PENALTY:

- Full Prepayment: If you fully repay the unpaid principal balance owing on your Note during the first 36 months of the Note’s term, Note Holder will charge you a prepayment fee in an amount equal to a percentage of the amount prepaid as follows: (i) a sum equal to 3% if you prepay during the first twelve (12) months of the Note term; (ii) a sum equal to 2% if you prepay during the 13th through 24th months of the Note term; and (iii) a sum equal to 1% if you prepay during the 25th through 36th months of the Note term.
- Partial Prepayment: If the loan permits less than a fully-amortizing payment, a “partial prepayment” is any amount paid in a month that is greater than the interest due in such month. Otherwise, a “partial prepayment” is any amount paid in a month that is greater than the monthly payment due in such month. If you make one or more partial prepayments during the first 36 months of the Note and the total of your partial prepayment(s) exceeds 20% of the Note’s original loan amount in **any** consecutive 12-month period (the “Excess Partial Prepayment”), Note Holder will charge you a prepayment fee in an amount equal to a percentage of the Excess Partial Prepayment as follows: (i) 3% of your Excess Partial Prepayment that is made during the first 12 months of the Note term; (ii) 2% of your Excess Partial Prepayment that is made during the 13th through 24th months of the Note term; and (iii) 1% of your Excess Partial Prepayment that is made during the 25th through 36th months of the Note term.

IMPORTANT – SIGNATURE

I/We each hereby acknowledge that I/We have read and received a copy of this Prepayment Penalty Description.

Print Name	Property Address
Signature	Date
Print Name	Property Address
Signature	Date