

# FEDERAL TRUTH IN LENDING DISCLOSURE STATEMENT

**Creditor: Broadway Bank**

**Borrower(s):**

**Account Number: 111111**

| ANNUAL<br>PERCENTAGE<br>RATE              | FINANCE<br>CHARGE                           | AMOUNT<br>FINANCED                                      | TOTAL OF<br>PAYMENTS   |
|---|---|---|--|
| The cost of your credit as a yearly rate: | The dollar amount the credit will cost you: | The amount of credit provided to you or on your behalf: | The amount you will have paid after you have made all payments as scheduled: |
| <b>3%</b>                                 | <b>\$1171.80</b>                            | <b>\$15,000</b>   | <b>\$16,171.80</b>   |

Your payment schedule will be:

| NUMBER OF PAYMENTS | AMOUNT OF PAYMENTS | WHEN PAYMENTS ARE DUE             |
|--------------------|--------------------|-----------------------------------|
| <b>60</b>          | <b>\$269.53</b>    | <b>Monthly beginning 06/01/11</b> |

**Variable Rate:** If checked, your loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to you earlier.

**Demand Feature:** If checked, this obligation has a demand feature.

**Insurance:** You may obtain insurance from anyone you want that is acceptable to the creditor.

If checked, you can get insurance through Broadway Bank. You will pay \$\_\_\_\_ for 12 months coverage.

**Security:** The vehicle title will secure the loan and Broadway Bank will be indicated as the lein holder.

Assignment of brokerage account and pledge of securities

Personal property:

Assignment of life insurance policy

Other:

**Late Charges:** If a payment is late, you will be charged 5.000 % of the payment.

**Prepayment:** If you pay off early, you  may  will not have to pay a penalty. You  may  will not be entitled to a refund of part of the finance charge.

**Assumption:** Someone buying your vehicle  may, subject to conditions, be allowed to  cannot assume the remainder of the loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, prepayment refunds and penalties and assumption policy.

## ACKNOWLEDGMENT

By signing below you acknowledge that you have received a completed copy of this Federal Truth in Lending Statement prior to the execution of any closing documents.

\_\_\_\_\_  
Borrower/Date of Acknowledgment

\_\_\_\_\_  
Borrower/Date of Acknowledgment

## **DEFINITION OF TRUTH-IN-LENDING TERMS**

### **ANNUAL PERCENTAGE RATE**

This is not the Note rate for which the borrower applied. The Annual Percentage Rate (APR) is the cost of the loan in percentage terms taking into account various loan charges of which interest is only one such charge. Other charges which are used in calculation of the Annual Percentage Rate are Prepaid Finance Charges (loan discount, origination fees, prepaid interest and other credit costs). The APR is calculated by spreading these charges over the life of the loan which results in a rate higher than the interest rate shown on your Note. If interest was the only Finance Charge, then the interest rate and the Annual Percentage Rate would be the same.

### **PREPAID FINANCE CHARGES**

Prepaid Finance Charges are certain charges made in connection with the loan and which must be paid upon the close of the loan. These charges are defined by the Federal Reserve Board in Regulation Z and the charges must be paid by the borrower. Non-inclusive examples of such charges are: Loan origination fee, Discount, and Tax Service Fee. Some loan charges are specifically excluded from the Prepaid Finance Charge such as credit report fees.

Prepaid Finance Charges are totaled and then subtracted from the Loan Amount (the face amount of the Note). The net figure is the Amount Financed as explained below.

### **FINANCE CHARGE**

The amount of interest, prepaid finance charge and certain insurance premiums (if any) which the borrower will be expected to pay over the life of the loan.

### **AMOUNT FINANCED**

The Amount Financed is the loan amount applied for less the prepaid finance charges. Prepaid finance charges can be found on the Good Faith Estimate. For example if the borrower's note is for \$20,000 and the Prepaid Finance Charges total \$500, the Amount Financed would be \$20,500. The Amount Financed is the figure on which the Annual Percentage Rate is based.

### **TOTAL OF PAYMENTS**

This figure represents the total of all payments made toward principal, interest and insurance (if applicable).

### **PAYMENT SCHEDULE**

The dollar figures in the Payment Schedule represent principal, interest, plus insurance (if applicable). These figures will not reflect any temporary buydown payments contributed by the seller.