

**CITY OF RUSHFORD**

**HOME RENOVATION LOAN PROGRAM DISCLOSURE**

You have applied for a home renovation loan with the City of Rushford, Minnesota.

Only one payment of all principal and interest on the loan is due at the end of the loan term. However, the interest rate will change one time during the term of this loan, which is the earlier of (a) the date when the property is sold, transferred or conveyed; or (b) the property is no longer used as your principal residence.

At the end of the 10th loan year, the interest rate will change from 2% to 0%.

This change will affect the amount due on your loan in the following way, assuming your loan amount is \$10,000:

If you prepay your loan at the end of the first year, the interest rate payable then will be 2% and the payment due will be \$10,200. [Calculated as follows:  $(\$10,000 \times 2\% \times 1 \text{ year} = \$200 \text{ interest}) + (\$10,000 \text{ principal}) = \$10,200$ ]

If you prepay your loan at the end of the 10th year, the interest rate payable then will be 2% and the payment due will be \$12,000. [Calculated as follows:  $(\$10,000 \times 2\% \times 10 \text{ years} = \$2,000 \text{ interest}) + (\$10,000 \text{ principal}) = \$12,000$ ]

Acknowledgment: I have read and understand the Home Renovation Loan Program Disclosure

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date