



YOUR RIGHTS UNDER THE FEDERAL TRUTH IN LENDING ACT

The Federal Truth in Lending Act (TILA) applies if the broker makes the loan with its own funds or arranges the loan for a lender who makes five or more home loans per year. If the TILA applies, the lender must provide you a disclosure before you become obligated that tells you the identity of the creditor; the amount financed; that you have a right to an itemization of the amount financed; the dollar amount of the finance charge; the finance charge expressed as an APR; the number, amount, and periods of payments; the total of all payments; any late payment charge; and whether there is a charge upon prepayment of the loan principal.

The disclosure statement must also identify the property that will be used to secure the loan and should tell you whether the terms of the loan permit assumption of the loan by someone buying the property from you.

If the TILA applies, you may have a right to rescind (cancel) the loan within three days after certain events, including the consummation of the loan transaction. When you do not receive proper disclosures about the loan, the right to rescind can last as long as three years from the time you obtain the loan. Any request to rescind the loan should be made in writing.