BALLOON MORTGAGE DISCLOSURE

Date:	**Loan No:**

Borrower: **Lender: AFG Mortgage**

Property Address:

This disclosure is provided to you pursuant to New York law (N.Y. Comp. Codes R. & Regs. tit. 3, §§ 80.4(b), 82.6(b)).

[Insert one of the following:]
[OPTION 1: Include the following if Lender does not guarantee to refinance the loan.]
THE TERM OF THE LOAN IS _____ YEARS. AS A RESULT, YOU WILL BE REQUIRED TO REPAY THE ENTIRE PRINCIPAL BALANCE AND ANY ACCRUED INTEREST THEN OWING _____ YEARS FROM THE DATE ON WHICH THE LOAN IS MADE.

THE LENDER HAS NO OBLIGATION TO REFINANCE THIS LOAN AT THE END OF ITS TERM. THEREFORE, YOU MAY BE REQUIRED TO REPAY THE LOAN OUT OF ASSETS YOU OWN OR YOU MAY HAVE TO FIND ANOTHER LENDER WILLING TO FINANCE THE LOAN.

ASSUMING THIS LENDER OR ANOTHER LENDER REFINANCES THIS LOAN AT MATURITY, YOU WILL PROBABLY BE CHARGED INTEREST AT MARKET RATES PREVAILING AT THAT TIME AND SUCH RATES MAY BE HIGHER THAN THE INTEREST RATE PAID ON THIS LOAN. YOU MAY ALSO HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW MORTGAGE LOAN.

[OPTION 2: Include the following if the Lender guarantees to refinance the loan until the principal balance has been repaid but the rate of interest will not be recalculated at each refinancing:

THE TERM OF THE LOAN IS _____ YEARS. AT MATURITY, _____ YEARS FROM THE DATE ON WHICH THE LOAN IS MADE, AND AT THE TIME OF EACH FURTHER REFINANCING, THE LOAN WILL BE REFINANCED AT AN INTEREST RATE ESTABLISHED BY THE LENDER WITH REFERENCE TO MARKET RATES. SUCH INTEREST RATE(S) MAY BE HIGHER THAN THE INTEREST RATE PAID ON THE LOAN.]

By signing below, you hereby acknowledge reading and understanding all of the information disclosed above, and receiving a copy of this disclosure on the date indicated below.

_____ _____
Borrower Date Borrower Date

_____ _____
Borrower Date Borrower Date