HIGHER PRICED MORTGAGE LOAN ("HPML") INFORMATION

Date:	**Loan Number:**
Borrowers Name & Subject Address:	**Lenders Name & Address** Michigan Mutual, Inc. 911 Military Street Port Huron, MI 48060

You are applying for a Higher-Priced Mortgage Loan ("HPML"). A mortgage loan is considered to be a Higher-Priced Mortgage Loan if the Annual Percentage Rate ("APR") for the mortgage loan is higher than the Average Prime Offer Rate ("APOR") as indicated below:

- First Lien Mortgage Conforming Loans is a HPML if the APR is higher than 1.5% above the APOR.
- First Lien Mortgage Jumbo Loans is a HPML if the APR is higher than 2.5% above the APOR.
- Second Lien Mortgage is a HPML if the APR is higher than 3.5% above the APOR.

The APOR is an annual percentage rate that is based on average interest rates, fees, and other terms on mortgages offered to highly qualified borrowers. The APOR value is determined on the day the interest rate is locked.

APOR index can be found at http://www.ffiec.gov/ratespread/aportables.htm.

Higher Priced Mortgage Loans require:

1. An escrow account for payment of property taxes & hazard insurance premiums.
2. Must maintain an escrow account a minimum of five years or until the termination of the loan. Ask us about requirements to permit a borrower to cancel an escrow account after five years, to allow the borrower to pay taxes and insurance premiums directly, for certain loans.
3. Obtaining an appraisal by a certified or licensed appraiser who conducts a physical visit of the interior of the subject property.
4. The Lender must provide you with a copy of the appraisal no later than three days prior to consummation of the loan. Waiver of the three day waiting period is not allowed.
5. For a purchase money loan, an additional appraisal may be needed by a different appraiser if:
    a. The seller acquired the property 90 days or less from the time the consumer purchase agreement was signed and the agreement exceeds the seller's acquisition price by more than 10% or
    b. The seller acquired the property 91 to 180 days prior to the consumer purchase agreement and the price exceeds the seller's acquisition price by more than 20%.

By signing below, I/We have been informed by the lender, that this loan transaction is a Higher Priced Mortgage Loan.

_____ _____

Borrower Date Borrower Date

_____ _____

Borrower Date Borrower Date