

§ 53-264. Disclosures of loan terms.

(a) On forms prescribed by the Commissioner, all authorized lenders shall provide all of the following information to the Commissioner for dissemination to all counselors who provide counseling to prospective reverse mortgage borrowers:

- (1) The borrower's rights, obligations, and remedies with respect to the borrower's temporary absence from the home, late payments by the lender, and payment default by the lender.
- (2) Conditions or events that require the borrower to repay the loan obligation.
- (3) The right of the borrower to mortgage less than the full value of the home, if permitted by the reverse mortgage loan contract.
- (4) The projected total annual percentage rate applicable under various loan terms and appreciation rates and interest rates applicable at sample ages of borrowers.
- (5) Standard closing costs.
- (6) All service fees to be charged during the term of the loan.
- (7) Other information required by the Commissioner.
- (8) Information relating to contracts for shared appreciation or shared value, as required by G.S. 53-270.1.

(b) Within 10 business days after application is made by a borrower, but not less than 20 business days before closing of the loan, lenders shall provide applicants with the same information required in subsection (a) of this section, shall inform applicants that reverse mortgage counseling is required before the loan can be closed, and shall provide the names and addresses of counselors listed with the Commissioner's office. (1991, c. 546, s. 1; 1995, c. 115, s. 1; 1998-116, s. 4.)