

APPENDIX A

MARYLAND DISCLOSURE

IMPORTANT INFORMATION REGARDING YOUR SHARED APPRECIATION OR SHARED EQUITY TRANSACTION

The following information pertains to your shared appreciation or shared equity transaction and the amount you will pay at termination of your contract (this may be referred to in your agreement as settlement), which, if your contract is terminated when you sell your home, may include some or all of the sale proceeds. The terms of this transaction are different from those of a traditional mortgage loan. Please review this disclosure, as well as your contract, thoroughly. If you do not understand any of the terms, you should speak with a financial professional of your choosing.

Note that the terminology used in your contract or in other disclosure documents may differ from the terminology used in this disclosure.

Homeowner Name: [Homeowner Name]

Property Address: [Address]

Disclosure Version: Estimate, subject to change Final, not subject to change

Lender [Lender Name] (may also be known in your contract as Investor, Originator or Purchaser)

Current Estimated Fair Market Value: [dollar amount] (your home's current estimated value)

Current Estimated Fair Market Value Determined By: Appraisal BPO AVM Stated in Application

The method selected above is used to estimate the current fair market value of your property. The estimated fair market value may not represent the actual value of the property and may be lower than the actual price you would receive if your property were sold today. This may result in a higher Final Payment Amount.

Transaction Amount: [dollar amount] (equals the initial investment, advance, purchase, or loan amount including any closing costs or charges)

Cash To You: [dollar amount] (equals Transaction Amount less all fees or charges payable by you at closing including costs payable to third parties but gross of any amounts being paid to creditors on your behalf)

Term: [years/months] (maximum period before contract termination, subject to contractual conditions)

Agreement Type:

- Shares Home Value
- Shares Change In Home Value
- Other [describe]

Homeowner Cost Is Capped (see details below)

Homeowner Cost Is Not Capped

Share Percentage: [x.xx%] equals the percentage of your home's Final Value your home's change in value from the Starting Value to the Final Value to which the lender will be entitled at termination of your agreement, subject to any limitations in your agreement. If Share Percentage can vary over the term, describe here: _____

(If Agreement Type is "Shares Home Value" use the content in Option A)

(If Agreement Type is "Shares Change In Home Value" use the content in Option B)

(OPTION A)

Transaction Percentage: [x.xx%] (Transaction Amount expressed as a percentage of Current Estimated Fair Market Value)

Final Payment Calculations:

Your agreement will typically terminate when you decide to sell your home or, at your option, terminate the contract without a sale (this may be referred to as buying out or buying back the contract), subject to the maximum Term of [years/months]. Your specific termination conditions are specified in your agreement. At termination of the contract a Final Payment will be made out of sales proceeds or separately if you choose, calculated as follows:

Final Value is the value of your home at the time of termination.

Final Value Determined By: Appraisal BPO AVM Other: _____

Final Payment Amount: Final Payment Amount will equal the Share Percentage of the Final Value [and, if applicable, disclose any other amounts owed under the agreement]. For example, if the Share Percentage is 15% and the Final Value is \$200,000, the Final Payment Amount will total \$30,000 [and, if applicable, add any other amounts owed under the agreement].

IF THE SHARE PERCENTAGE IS GREATER THAN THE TRANSACTION PERCENTAGE, THE FINAL PAYMENT MAY EXCEED THE TRANSACTION AMOUNT EVEN IF THE ENDING VALUE IS LESS THAN THE CURRENT ESTIMATED VALUE. *(If applicable)* Your Final Payment will exceed the Transaction Amount if the Ending Value exceeds [dollar amount].

(Choose the applicable statement regarding maximum amount of repayment)

YOUR CONTRACT DOES NOT LIMIT THE MAXIMUM FINAL PAYMENT.

-OR-

Your contract limits the maximum Final Payment, as follows: [describe]

(If there are any special provisions which apply to the calculation mechanics, such as floors or lockout periods, insert here)

[Description of special provisions which apply to the calculation mechanics, such as floors or lockout periods]

Interest Charged:

(Choose one as applicable)

You will share a portion of your home’s value but no interest will be charged on the Transaction Amount and there will be no monthly payments due.

--OR--

In addition to sharing a portion of your home’s value, you will pay interest at a [rate of X.XXX% per year] [variable rate calculated as follows [description of calculation including index, margin, any minimum/cap, etc.]]. Interest will be [paid monthly] [accrued and paid at settlement].

Tax Implications:

This transaction may result in tax implications. It is recommended that you consult with a qualified tax professional.

Final Payment Examples:

The following tables contain examples of amounts that may be required to satisfy your obligation at termination of the agreement depending upon the value of your property at termination. The actual change in the value of your home and your actual final payment could be greater than shown in these examples. If your agreement requires monthly payments, examples assume that all payments are made in accordance with the terms of the contract. THESE ARE EXAMPLES ONLY; YOUR ACTUAL FINAL PAYMENT AMOUNT COULD BE HIGHER OR LOWER THAN SHOWN HERE.

5 Year Scenarios						
Change In Home Value Over 5 Years	Final Value	Share Percentage	(A) Share Based Repayment Amount (Share Percentage of Final Value plus any additional amounts owed under agreement including any accrued interest	(B) Capped Final Payment (calculated in accordance with any limitation contained in your agreement)	Actual Final Payment (lesser of A and B)	Annualized Cost (For comparison to an APR)
10% Total Depreciation						
No Change In Value						
3.5% Annual Appreciation						
5.5% Annual Appreciation						
X.X% Annual Change In Value (actual annual						

change in value in state over prior 5 years*)						
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*Based on the All-Transactions House Price Index as published by the Federal Reserve Bank of St. Louis

<https://fred.stlouisfed.org/categories/32261?t=&et=&ptic=726&ob=t&od=&tg=&tt=>

REPEAT TABLE FOR 10 YEAR, 15 YEAR AND 30 YEAR SCENARIOS (IF APPLICABLE BASED ON TERM LENGTH), AS WELL AS THE CONTRACTUAL MAXIMUM TERM LENGTH IF IT IS NONE OF THE PRECEDING TERMS.

(OPTION B)

Final Payment Calculations:

Your agreement will typically terminate when you decide to sell your home or, at your option, terminate the contract without a sale (this may be referred to as buying out or buying back the contract), subject to the maximum Term of [years/months]. Your specific termination conditions are specified in your agreement. At the end of the contract a Final Payment will be made out of sales proceeds or separately if you choose, calculated as follows:

(Include one of the following two paragraphs as applicable)

Starting Value: Your home's Current Estimated Fair Market Value of [dollar amount] will be used as the Starting Value when calculating your home's change in value.

--OR--

Starting Value: A [xx.xx%] discount is being applied to your home's Current Estimated Fair Market Value so a discounted value of [dollar amount] will be used as the Starting Value when calculating your home's change in value.

Final Value is the value of your home at the time of termination.

Final Value Determined By: Appraisal BPO AVM Other: _____

Change in Value: Change In Value equals Ending Value minus Starting Value.

Final Payment: Final Payment will equal the Transaction Amount of [dollar amount] plus (or minus, if negative) the Share Percentage of the Change In Value.

(If starting value is determined by discounting Current Estimated Value, include the following paragraph)

BECAUSE THE STARTING VALUE IS LESS THAN THE CURRENT ESTIMATED VALUE OF YOUR HOME TODAY, YOUR FINAL PAYMENT CALCULATION MAY SHOW APPRECIATION EVEN IF THE ENDING VALUE IS LESS THAN THE CURRENT ESTIMATED FAIR MARKET VALUE. Your settlement calculation will show appreciation if the Ending Value exceeds [Starting Value dollar amount].

(Choose the applicable statement regarding maximum amount of repayment)

No Change In Value									
3.5% Annual Appreciation									
5.5% Annual Appreciation									
X.X% Annual Change In Value (actual annual change in value in state over prior 5 years*)									

*Based on the All-Transactions House Price Index as published by the Federal Reserve Bank of St. Louis

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REPEAT TABLE FOR 10 YEAR, 15 YEAR AND 30 YEAR SCENARIOS (IF APPLICABLE BASED ON TERM LENGTH), AS WELL AS THE CONTRACTUAL MAXIMUM TERM LENGTH IF IT IS NONE OF THE PRECEDING TERMS.