

H-4(A)—Variable-Rate Model Clauses

The annual percentage rate may increase during the term of this transaction if:

- [the prime interest rate of (creditor) increases.]
- [the balance in your deposit account falls below \$_____.]
- [you terminate your employment with (employer) .]

- [The interest rate will not increase above _____%.]
- [The maximum interest rate increase at one time will be _____%.]
- [The rate will not increase more than once every (time period) .]

Any increase will take the form of:

- [higher payment amounts.]
- [more payments of the same amount.]
- [a larger amount due at maturity.]

Example based on the specific transaction

- [If the interest rate increases by _____% in (time period),
- [your regular payments will increase to \$_____.]
- [you will have to make _____ additional payments.]
- [your final payment will increase to \$_____..]

Example based on a typical transaction

- [If your loan were for \$_____ at _____% for (term) and the rate increased to _____% in (time period),
- [your regular payments would increase by \$_____.]
- [you would have to make _____ additional payments.]
- [your final payment would increase by \$_____..]

H-4(B)—Variable-Rate Model Clauses

Your loan contains a variable-rate feature. Disclosures about the variable-rate feature have been provided to you earlier.