

Borrower's Right to Prepay and Early Closure Clause

The undersigned ("Borrower") hereby agree(s) to the following provisions.

DEFINITION

Prepay shall mean the right to make a payment towards the principal, at any time before the principal is due.

Prepayment shall mean Borrower(s) making a payment towards the principal, at any time before the principal is due.

Note Holder shall mean the Lender and/or the Loan Servicing Company.

Change Date mean the next scheduled payment of next due date.

Account shall mean the Mortgage Loan(s) of this transaction.

BORROWER'S RIGHT TO PREPAY

When the Borrower(s) make a prepayment, the Borrower(s) will provide the Note Holder in writing that Borrower(s) is doing so. The Note Holder will use all of the prepayment of the Borrower(s) to reduce the amount of principal that the Borrower(s) owes under the note.

- If the Borrower(s) make(s) a partial prepayment, there will be no changes in the due dates of the monthly payments unless the Note Holder agrees in writing to those changes. The partial prepayment of the Borrower(s) may reduce the amount of monthly payment after the first Change Date following the partial prepayment.
- Borrower(s) hereby agree(s) not to make a full prepayment of principal on or before one hundred and forty (140) days from the date of funding of the Note, with the intent to close the account. If a full prepayment is made to principal balance on or before one hundred and forty (140) days from the date of funding of the Note, Borrower(s) hereby agree(s) to pay, MFG Funding, Inc. an early closure charges in an amount equal to three percent (3%) of the original principal amount of the Note, but not to exceed the maximum amount allowable under California laws
- Borrower(s) hereby agree(s) to be liable for any and all legal costs associated with this transaction caused by an early closure of the Account by Borrower(s).

Borrower: _____ Date: _____

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