

ACKNOWLEDGMENT OF LIMITATION OF DISCOUNT POINTS

I understand that the Veterans Administration (“VA”) strongly urges Lenders to limit the number of discount points to be included in all new Interest Rate Reduction Refinancing Loans to no more than two (2). My Lender has explained that by adding more than two (2) points into my loan, I may be at risk of having difficulty selling my home for a price sufficient to pay off the loan, since the loan balance may be substantially greater than the market value of the home. I also understand that by adding excessive points into my loan I am not getting the full benefit of reducing my interest rate, since my monthly payment has not been reduced as much as it might be or possibly has even gone up.

Veteran

Date