

Information

Effective date

June 26, 2018

Use

The *Prepayment Provision Rider (Decreasing Term)* (Form 630446) is used to incorporate a decreasing term prepayment provision (prepayment charge) in the standard LEAD **commercial** note form.

For the Standard Prepayment Provision or any other prepayment provision, use Prepayment Provision Rider (Form 630398).

Caution: Prepayment charges may **not** be imposed on **consumer purpose loans** without approval by Bank counsel for the governing jurisdiction. There are numerous restrictions applicable to imposing prepayment charges on consumer loans. Depending on the jurisdiction and type of transaction, charging a fee may be prohibited and custom documentation/customization of the LEAD note and Truth in Lending Disclosures may be necessary.

Instructions

The table below shows section names and descriptions for the items required in the *Prepayment Rider (Decreasing Term)* (Form 630446).

Section	Description
as of	Effective date of the Rider, which is the date of the commercial note to which the Rider is attached.
amount of	Amount of the attached commercial note.
Remaining Term at Time of Prepayment	Using this chart enter the applicable percentage to be charged for each year remaining in the loan term. The amounts entered for each period will vary based upon the term of the loan. Enter "N/A" in sections with are not applicable to the specific loan.
Signature	Signature of all Borrower(s) (same as on the attached commercial note).
Name, Name and title	Enter the name of each individual signer. Enter the name and title of each person signing on behalf of an entity.

Example: 5 year term loan

	Remaining Term (expressed in years):											
≤ or =	1	2	3	4	5	6	7	8	9	10	11-15	16-20
	0%	1%	2%	3%	4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A