

HUD/VA Addendum to Uniform Residential Loan Application

OMB Approval No. VA: 2900-0144
HUD: 2505-0059

Part I - Identifying Information (mark the type of application)		2. Agency Case No: (include any suffix)	3. Lender's Case Number:	4. Section of the Act: (for HUD case)
1. <input type="checkbox"/> VA Application for Home Loan Guaranty <input type="checkbox"/> HUD/FHA Application for Insurance under the National Housing Act				
5. Borrower's Name & Present Address (include zip code)		7. Loan Amount (include the UFMP if for HUD or Funding Fee if for V.A.) \$	8. Interest Rate: %	9. Proposed Maturity: yrs. mos.
6. Property Address (including name of subdivision, lot & block no. & zip code):		10. Discount Amt.: (only if borrower is permitted to pay) \$	11. Amount of Up Front Premium: \$	12a. Amount of Monthly Premium: /mo.
		13. Lender's I.D. Code:	14. Sponsor/Agent I.D. Code:	
15. Lender's Name & Address (include zip code)		16. Name & Address of Sponsor/Agent:		
Type or Print all entries clearly		17. Lender's Telephone Number:		

V.A.: The veteran and the lender hereby apply to the Secretary of Veterans Affairs for Guaranty of the loan described here under Section 3710, Chapter 37, Title 38, United States Code, to the full extent permitted by the veteran's entitlement and severally agree that the Regulations promulgated pursuant to Chapter 37, and in effect on the date of the loan shall govern the rights, duties, and liabilities of the parties.

18. First Time Homebuyer? a. <input type="checkbox"/> Yes b. <input type="checkbox"/> No	19. V.A. Only: Title will be Vested in: <input type="checkbox"/> Veteran <input type="checkbox"/> Veteran & Spouse <input type="checkbox"/> Other (Specify):	20. Purpose of Loan (blocks 9 - 12 are for V.A. loans only) 1) <input type="checkbox"/> Purchase Existing Home Previously Occupied 2) <input type="checkbox"/> Finance Improvements to Existing Property 3) <input type="checkbox"/> Refinance (Refi.) 4) <input type="checkbox"/> Purchase New Condo. Unit 5) <input type="checkbox"/> Purchase Existing Condo. Unit 6) <input type="checkbox"/> Purchase Existing Home Not Previously Occupied 7) <input type="checkbox"/> Construct Home (proceeds to be paid out during construction) 8) <input type="checkbox"/> Finance Co-op Purchase 9) <input type="checkbox"/> Purchase Permanently Sited Manufactured Home 10) <input type="checkbox"/> Purchase Permanently Sited Manufactured Home & Lot 11) <input type="checkbox"/> Refi. Permanently Sited Manufactured Home to Buy Lot 12) <input type="checkbox"/> Refi. Permanently Sited Manufactured Home/Lot Loan
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Part II - Lender's Certification

21. The undersigned lender makes the following certifications to induce the Department of Veterans Affairs to issue a certificate of commitment to guarantee the subject loan or a Loan Guaranty Certificate under Title 38, U. S. code, or to induce the Department of Housing and Urban Development - Federal Housing Commissioner to issue a firm commitment for mortgage insurance or a Mortgage Insurance Certificate under the National Housing Act.

A. The loan terms furnished in the Uniform Residential Loan Application and this Addendum are true, accurate and complete.

B. The information contained in the Uniform Residential Loan Application and this Addendum was obtained directly from the borrower by a full-time employee of the undersigned lender or its duly authorized agent and is true to the best of the lender's knowledge and belief.

C. The credit report submitted on the subject borrower (and co-borrower, if any) was ordered by the undersigned lender or its duly authorized agent directly from the credit bureau which prepared the report and was received directly from said credit bureau.

D. The verification of employment and verification of deposits were requested and received by the lender or its duly authorized agent without passing through the hands of any third persons and are true to the best of the lender's knowledge and belief.

E. The Uniform Residential Loan Application and this Addendum were signed by the borrower after all sections were completed.

F. This proposed loan to the named borrower meets the income and credit requirements of the governing law in the judgment of the undersigned.

G. To the best of my knowledge and belief, I and my firm and its principals: **(1)** are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; **(2)** have not, within a three-year period preceding this proposal, been convicted of or had a civil judgment rendered against them for (a) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; (b) violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; **(3)** are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph G(2) of this certification; and **(4)** have not, within a three-year period preceding this application/proposal, had one or more public transactions (Federal, State or local) terminated for cause or default.

Items "H" through "J" are to be completed as applicable for V.A. loans only.

H. The names and functions of any duly authorized agents who developed on behalf of the lender any of the information or supporting credit data submitted are as follows:

Name & Address:	Function:(e.g. obtained information on the Uniform Residential Loan Application, ordered credit report, verifications of employment, deposits, etc.)

If no agent is shown above, the undersigned lender affirmatively certifies that all information and supporting credit data were obtained directly by the lender.

I. The undersigned lender understands and agrees that it is responsible for the omissions, errors, or acts of agents identified in item H as to the functions with which they are identified

J. The proposed loan conforms otherwise with the applicable provisions of Title 38, U.S. Code, and of the regulations concerning guaranty or insurance of loans to veterans.

Signature of Officer of Lender	Title of Officer of Lender	Date(mm/dd/yyyy)
X		

Part III - Notices to Borrowers Public Reporting Burden for this collection of information is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB Control Number.

Privacy Act Information The information requested on the Uniform Residential Loan Application and this Addendum is authorized by 38 U.S.C. 3710 (if for DVA) and 12 U.S.C. 1701 et seq. (if for HUD/FHA). The Debt Collection Act of 1982, Pub. Law 97-365, and HUD's Housing and Community Development Act of 1987, 42 U.S.C. 3543, require persons applying for a federally insured or guaranteed loan to furnish his/her social security number(SSN). You must provide all the requested information, including your SSN. HUD and/or V.A. may conduct a computer match to verify the information you provide. HUD and/or V.A. may disclose certain information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not otherwise be disclosed or released outside of HUD or V.A., except as required and permitted by law. The information will be used to determine whether you qualify as a mortgagor. Any disclosure of information outside V.A. or HUD/FHA will be made only as permitted by law. Failure to provide any of the requested information, including SSN, may result in disapproval of your loan application. This notice to you as required by the Right to Financial Privacy Act of 1978 that V.A. or HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to V.A. and HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

Caution Delinquencies, defaults, foreclosures and abuses of mortgage loans involving programs of the Federal Government can be costly and detrimental to your credit, now and in the future. The lender in this transaction, its agents and assigns as well as the Federal Government, its agencies, agents and assigns, are authorized to take any and all of the following actions in the event loan payments become delinquent on the mortgage loan described in the attached application: (1) Report your name and account information to a credit bureau; (2) Assess additional interest and penalty charges for the period of time that payment is not made; (3) Assess charges to cover additional administrative costs incurred by the Government to service your account; (4) Offset amounts owed to you under other Federal programs; (5) Refer your account to a private attorney, collection agency or mortgage servicing agency to collect the amount due, foreclose the mortgage, sell the property and seek judgment against you for any deficiency; (6) Refer your account to the Department of Justice for litigation in the courts; (7) If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits; (8) Refer your debt to the Internal Revenue Service for offset against any amount owed to you as an income tax refund; and (9) Report any resulting written-off debt of yours to the Internal Revenue Service as your taxable income. All of these actions can and will be used to recover any debts owed when it is determined to be in the interest of the lender and/or the Federal Government to do so.

Part IV - Borrower Certification

22. Complete the following for a HUD/FHA Mortgage

22 a. Do you own or have you sold other real estate within the past 60 months on which there was a HUD / FHA mortgage? <input type="checkbox"/> Yes <input type="checkbox"/> No	Is it to be sold? <input type="checkbox"/> Yes <input type="checkbox"/> No	22 b. Sales Price \$	22 c. Original Mortgage Amount \$
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22 d. Address:

22 e. If the dwelling to be covered by this mortgage is to be rented, is it a part of, adjacent or contiguous to any project subdivision or group of concentrated rental properties involving eight or more dwelling units in which you have any financial interest? Yes No If "Yes" give details.

22 f. Do you own more than four dwellings? Yes No If "Yes" submit form HUD-92561

23. Complete for V.A. - Guaranteed Mortgage. Have you ever had a V.A. home loan? Yes No

24. Applicable for Both V.A. & HUD. As a home loan borrower, you will be legally obligated to make the mortgage payments called for by your mortgage loan contract. The fact that you dispose of your property after the loan has been made **will not relieve you of liability for making these payments. Payment of the loan in full is ordinarily the way liability on a mortgage note is ended.** Some home buyers have the mistaken impression that if they sell their homes when they move to another locality, or dispose of it for any other reasons, they are no longer liable for the mortgage payments and that liability for these payments is solely that of the new owners. Even though the new owners may agree in writing to assume liability for your mortgage payments, this assumption agreement will not relieve you from liability to the holder of the note which you signed when you obtained the loan to buy the property. Unless you are able to sell the property to a buyer who is acceptable to V.A. or HUD/FHA and who will assume the payment of your obligation to the lender, you will not be relieved from liability to repay any claim which V.A. or HUD/FHA may be required to pay your lender on account of default in your loan payments. **The amount of any such claim payment will be a debt owed by you to the Federal Government.** This debt will be the object of established collection procedures.

25. I, the Undersigned Borrower(s) Certify that:

- (1) I have read and understand the foregoing concerning my liability on the loan and Part III Notices to Borrowers.
- (2) **Occupancy:** (for V.A. only - mark the applicable box)
 - (a) I now actually occupy the above-described property as my home or intend to move into and occupy said property as my home within a reasonable period of time or intend to reoccupy it after the completion of major alterations, repairs or improvements.
 - (b) My spouse is on active military duty and in his or her absence, I occupy or intend to occupy the property securing this loan as my home.
 - (c) I previously occupied the property securing this loan as my home. (for interest rate reductions)
 - (d) While my spouse was on active military duty and unable to occupy the property securing this loan, I previously occupied the property that is securing this loan as my home. (for interest rate reduction loans)
Note: If box 2b or 2d is checked, the veteran's spouse must also sign below.
- (3) Mark the applicable box (not applicable for Home Improvement or Refinancing Loan) I have been informed that (\$) is:
 - the reasonable value of the property as determined by V.A. or;
 - the statement of appraised value as determined by HUD/FHA.
Note: If the contract price or cost exceeds the V.A. "Reasonable Value" or HUD/FHA "Statement of Appraised Value," mark either item (a) or item (b), whichever is applicable.
 - (a) I was aware of this valuation when I signed my contract and I have paid or will pay in cash from my own resources at or prior to loan closing a sum equal to the difference between the contract purchase price or cost and the V.A. or HUD/FHA established value. I do not and will not have outstanding after loan closing any unpaid contractual obligation on account of such cash payment;
 - (b) I was not aware of this valuation when I signed my contract but have elected to complete the transaction at the contract purchase price or cost. I have paid or will pay in cash from my own resources at or prior to loan closing a sum equal to the difference between contract purchase price or cost and the V.A. or HUD/FHA established value. I do not and will not have outstanding after loan closing any unpaid contractual obligation on account of such cash payment.
- (4) Neither I, nor anyone authorized to act for me, will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the dwelling or property covered by his/her loan to any person because of race, color, religion, sex, handicap, familial status or national origin. I recognize that any restrictive covenant on this property relating to race, color, religion, sex, handicap, familial status or national origin is illegal and void and civil action for preventive relief may be brought by the Attorney General of the United States in any appropriate U.S. District Court against any person responsible for the violation of the applicable law.
- (5) All information in this application is given for the purpose of obtaining a loan to be insured under the National Housing Act or guaranteed by the Department of Veterans Affairs and the information in the Uniform Residential Loan Application and this Addendum is true and complete to the best of my knowledge and belief. Verification may be obtained from any source named herein.
- (6) **For HUD Only** (for properties constructed prior to 1978) I have received information on lead paint poisoning. Yes Not Applicable
- (7) **I am aware that neither HUD/FHA nor V.A. warrants the condition or value of the property.**

Signature(s) of Borrower(s) - **Do not sign** unless this application is fully completed. Read the certifications carefully & review accuracy of this application Date:

X
Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy purpose to influence the issuance of any guaranty or insurance by the VA Secretary or the HUD/FHA commissioner.

Direct Endorsement Approval for a HUD/FHA Insured Mortgage

U.S. Department of Housing and Urban Development

Part I - Identifying Information (mark the type of application) 1. <input type="checkbox"/> HUD/FHA Application for Insurance under the National Housing Act		2. Agency Case No: (include any suffix)	3. Lender's Case Number:	4. Section of the Act: (for HUD cases)
5. Borrower's Name & Present Address (include zip code)		7. Loan Amount (include the UF MIP): \$	8. Interest Rate: %	9. Proposed Maturity: yrs. mos.
6. Property Address (including name of subdivision, lot & block no. & zip code):		10. Discount Amt.: (only if borrower is permitted to pay) \$	11. Amount of Up Front Premium: \$	12a. Amount of Monthly Premium: \$/mo.
		12b. Term of Monthly Premium: months	13. Lender's I.D. Code:	14. Sponsor/Agent I.D. Code:
15. Lender's Name & Address (include zip code)			16. Name & Address of Sponsor/Agent:	
Type or Print all entries clearly			17. Lender's Telephone Number:	

Approved: Approved subject to the additional conditions stated below, if any.

Date Mortgage Approved _____ Date Approval Expires _____

<input type="checkbox"/> Modified & Approved as follows:	Loan Amount (include UF MIP): \$	Interest Rate: %	Proposed Maturity: yrs. mos.	Monthly Payment: \$	Amount of Up Front Premium: \$	Amount of Monthly Premium: \$	Term of Monthly Premium: months
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Additional Conditions:

- If this is proposed construction, the builder has certified compliance with HUD requirements on form HUD-92541.
- If this is new construction, the lender certifies that the property is 100% complete (both on site and off site improvements) **and** the property meets HUD's minimum property standards.
- Form HUD-925 44, Builder's Warranty is required.
- The property has a 10 -year warranty.
- The property is to be insured under Section 221 (d)(2); a code compliance inspection is required.
- Owner-Occupancy **Not** required (item (b) of the Borrower's Certificate does not apply)
- The mortgage is a high loan-to-value ratio for non-occupant mortgagor in military.
- Other: (specify)

This mortgage was rated as an "accept" or "approve" by a FHA- approved automated underwriting system. As such, the undersigned representative of the mortgagee certifies to the integrity of the data supplied by the lender used to determine the quality of the loan, that a Direct Endorsement Underwriter reviewed the appraisal (if applicable) and further certifies that this mortgage is eligible for HUD mortgage insurance under the Direct Endorsement program. I hereby make all certifications required for this mortgage as set forth in HUD Handbook 4000.4

Mortgagee Representative: _____

FHA-Approved Automated Underwriting System: _____

This mortgage was rated as "refer" of "caution" by a FHA-approved automated underwriting system, and/or was manually underwritten by a Direct Endorsement underwriter. As such, the undersigned Direct Endorsement underwriter certifies that I have personally reviewed the appraisal report (if applicable), credit application, and all associated documents and have used due diligence in underwriting this mortgage. I find that this mortgage is eligible for HUD mortgage insurance under the Direct Endorsement program and I hereby make all certifications required for this mortgage as set forth in HUD Handbook 4000.4

Direct Endorsement Underwriter _____ DE's CHUMS ID Number _____

FHA-Approved AUS (if appropriate) _____

The Mortgagee, its owners, officers or directors do do not have a financial interest in or a relationship, by affiliation or ownership, with the builder or seller involved in this transaction.

Borrower's Certificate The undersigned certifies that:

- (a) I will not have outstanding any other unpaid obligations contracted in connection with the mortgage transaction or the purchase of the said property except obligations which are secured by property or collateral owned by me independently of the said mortgaged property, or obligations approved by the Commissioner;
- (b) One of the undersigned intends to occupy the subject property, (note: delete this item if owner-occupancy is not required by the commitment);
- (c) All charges and fees collected from me as shown in the settlement statement have been paid from my own funds, and no other charges have been or will be paid by me in respect to this transaction;
- (d) Neither I, nor anyone authorized to act for me, will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the dwelling or property covered by this loan to any person because of race, color, religion, sex, handicap, familial status or national origin. I recognize that any restrictive covenant on this property relating to race, color, religion, sex, handicap, familial status or national origin is illegal and void and any such covenant is hereby specifically disclaimed. I understand that civil action for preventative relief may be brought by the Attorney General of the United States in any appropriate U.S. District Court against any person responsible for a violation of this certificate.

Borrower(s) Signature(s) & Date:

X

Lender's Certificate The undersigned certifies that to the best of its knowledge:

- (a) The statements made in its application for insurance and in this Certificate are true and correct;
- (b) The conditions listed above or appearing in any outstanding commitment issued under the above case number have been fulfilled;
- (c) Complete disbursement of the loan has been made to the borrower, or to his/her creditors for his/her account and with his/her consent;
- (d) The security instrument has been recorded and is a good and valid first lien on the property described;
- (e) No charge has been made to or paid by the borrower except as permitted under HUD regulations;
- (f) The copies of the credit and security instruments which are submitted herewith are true and exact copies as executed and filed for record;
- (g) It has not paid any kickbacks, fee or consideration of any type, directly or indirectly, to any party in connection with this transaction except as permitted under HUD regulations and administrative instructions.

I, Undersigned, as authorized representative of **Preferred Mortgage Services, Inc.**

, mortgagee

at this time of closing of this mortgage loan, certify that I have personally reviewed the mortgage loan documents, closing statements, application for insurance endorsement, and all accompanying documents. I hereby make all certifications required for this mortgage as set forth in HUD Handbook 4000.4.

Lender's Name:		Note: If the approval is executed by an agent in the name of lender, the agent must enter the lender's code number and type.	
Title of Lender's Officer:		Code Number: (5 digits)	Type:
Signature of Lender's Officer:	Date:		

X

GOOD FAITH ESTIMATE PROVIDER RELATIONSHIP

Applicants:

Prepared By: **Preferred Mortgage Services, Inc.**

Property Address:

**6 Ginger Creek Village
Glen Carbon , IL 62034
618-655-9900**

Application No:

Date Prepared:

Lender requires use of the following provider(s) of settlement services **(if none are listed, Lender does not require the use of specified providers):**

Provider _____
Address _____
Phone _____

Provider _____
Address _____
Phone _____

Services to be rendered by this provider are items number _____

Services to be rendered by this provider are items number _____

above and the amounts listed are based upon the charges of this provider. If checked, Lender has the following type of business relationship with this provider:

above and the amounts listed are based upon the charges of this provider. If checked, Lender has the following type of business relationship with this provider:

- The provider is an associate of Lender.
- The provider is an affiliate of Lender.
- The provider is a relative of Lender.
- The provider has an employment, franchise or other business relationship with Lender.
- Within the last 12 months, the provider has maintained an account with Lender or had an outstanding loan or credit arrangement with Lender.
- Within the last 12 months, Lender has repeatedly used or required borrowers to use the services of this provider.

- The provider is an associate of Lender.
- The provider is an affiliate of Lender.
- The provider is a relative of Lender.
- The provider has an employment, franchise or other business relationship with Lender.
- Within the last 12 months, the provider has maintained an account with Lender or had an outstanding loan or credit arrangement with Lender.
- Within the last 12 months, Lender has repeatedly used or required borrowers to use the services of this provider.

Applicant Date

Applicant Date

Applicant Date

Applicant Date

Borrowers' Certification and Authorization

CERTIFICATION

The Undersigned certify the following:

1. I/We have applied for a mortgage loan from **Preferred Mortgage Services, Inc.**_____. In applying for the loan, I/We completed a loan application containing various information on the purpose of the loan, the amount and source of the downpayment, employment and income information, and the assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/We omit any pertinent information.
2. I/We understand and agree that **Preferred Mortgage Services, Inc.**_____ reserves the right to change the mortgage loan review processes to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.
3. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.

AUTHORIZATION TO RELEASE INFORMATION

To Whom It May Concern:

1. I/We have applied for a mortgage loan from **Preferred Mortgage Services, Inc.**_____. As part of the application process, **Preferred Mortgage Services, Inc.**_____ and the mortgage guaranty insurer (if any), may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to **Preferred Mortgage Services, Inc.**_____ and to any investor to whom **Preferred Mortgage Services, Inc.**_____ may sell my mortgage, any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market and similar account balances; credit history; and copies of income tax returns.
3. **Preferred Mortgage Services, Inc.**_____ or any investor that purchases the mortgage may address this authorization to any party named in the loan application.
4. A copy of this authorization may be accepted as an original.

Borrower Signature _____

Co-Borrower Signature _____

SSN: _____ Date: _____

SSN: _____ Date: _____

DISCLOSURE NOTICES

Date:

Applicant(s):	Property Address:
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AFFIDAVIT OF OCCUPANCY

Applicant(s) hereby certify and acknowledge that, upon taking title to the real property described above, their occupancy status will be as follows:

- Primary Residence - Occupied by Applicant(s) within 30 days of closing.
- Secondary Residence - To be occupied by Applicant(s) at least 15 days yearly, as second home (vacation, etc.), while maintaining principal residence elsewhere. [Please check this box if you plan to establish it as your primary residence at a future date (e.g., retirement)].
- Investment Property - Not owner occupied. Purchased as an investment to be held or rented.

The Applicant(s) acknowledge it is a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statement concerning this loan application as applicable under the provisions of Title 18, United States Code, Section 1014.

APPLICANT SIGNATURE

CO-APPLICANT SIGNATURE

ANTI-COERCION STATEMENT

The insurance laws of this state provide that the lender may not require the applicant to take insurance through any particular insurance agent or company to protect the mortgaged property. The applicant, subjected to the rules adopted by the Insurance Commissioner, has the right to have the insurance placed with an insurance agent or company of his choice, provided the company meets the requirement of the lender. The lender has the right to designate reasonable financial requirements as to the company and the adequacy of the coverage.

I have read the foregoing statement, or the rules of the Insurance Commissioner relative hereto, and understand my rights and privileges and those of the lender relative to the placing of such insurance.

I have selected the following agencies to write the insurance covering the property described above:

Insurance Company Name

Agent

Agent's Address

Agent's Telephone Number

APPLICANT SIGNATURE

CO-APPLICANT SIGNATURE

FAIR CREDIT REPORTING ACT

An investigation will be made as to the credit standing of all individuals seeking credit in this application. The nature and scope of any investigation will be furnished to you upon written request made within a reasonable period of time. In the event of credit denial due to an unfavorable consumer report, you will be advised of the identity of the Consumer Reporting Agency making such report and of your right to request within sixty (60) days the reason for the adverse action, pursuant to provisions of section 615(b) of the Fair Credit Reporting Act.

APPLICANT SIGNATURE

CO-APPLICANT SIGNATURE

FHA LOANS ONLY

IF YOU PREPAY YOUR LOAN ON OTHER THAN THE REGULAR INSTALLMENT DATE, YOU MAY BE ASSESSED INTEREST CHARGES UNTIL THE END OF THAT MONTH.

GOVERNMENT LOANS ONLY

RIGHT TO FINANCIAL PRIVACY ACT OF 1978 - This is a notice to you as required by the Right to Financial Privacy Act of 1978 that the Department of Housing and Urban Development or Department of Veterans Affairs has a right of access to financial records held by a financial institution in connection with the consideration of administration of assistance to you. Financial records involving your transaction will be available to the Department of Housing and Urban Development or Department of Veterans Affairs without further notice or authorization but will not be disclosed or released to another Government agency or Department without your consent except as required or permitted by law.

APPLICANT SIGNATURE

CO-APPLICANT SIGNATURE

EQUAL CREDIT OPPORTUNITY ACT

APPLICATION NO:

PROPERTY ADDRESS:

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that

We are required to disclose to you that you need not disclose income from alimony, child support or separate maintenance payment if you choose not to do so.

Having made this disclosure to you, we are permitted to inquire if any of the income shown on your application is derived from such a source and to consider the likelihood of consistent payment as we do with any income on which you are relying to qualify for the loan for which you are applying.

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977 FAIR LENDING NOTICE

DATE:

COMPANY: **Preferred Mortgage Services, Inc.
6 Ginger Creek Village
Glen Carbon, IL 62034**

APPLICATION NO:

PROPERTY ADDRESS:

It is illegal to discriminate in the provisions of or in the availability of financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
2. Race, color, religion, sex, marital status, national origin or ancestry.

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of a one-to-four unit family residence occupied by the owner and for the purpose of the home improvement of any one-to-four unit family residence.

If you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution or the agency noted below :

I/we received a copy of this notice.

_____ Date

_____ Date

FLOOD DISASTER PROTECTION ACT OF 1973

DATE:

APPLICATION NO:

PROPERTY ADDRESS:

I/We hereby acknowledge that we have been advised of the Flood Disaster Protection Act of 1973 and the requirements that I/We provide such insurance coverage on any property located within an area designated as a Flood Hazard Area. Should the subject property fall within a flood hazard area as defined in the Act, then I/We authorize its successors and/or assigns to purchase such insurance and I/We further agree to pay promptly the cost thereof.

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

PRIVACY POLICY DISCLOSURE

(Protection of the Privacy of Personal Non-Public Information)

Respecting and protecting customer privacy is vital to our business. By explaining our Privacy Policy to you, we trust that you will better understand how we keep our customer information private and secure while using it to serve you better. Keeping customer information secure is a top priority, and we are disclosing our policies to help you understand how we handle the personal information about you that we collect and disclose. This notice explains how you can limit our disclosing of personal information about you. The provisions of this notice will apply to former customers as well as current customers unless we state otherwise.

The Privacy Policy explains the Following:

- Protecting the confidentiality of our customer information.
- Who is covered by the Privacy Policy.
- How we gather information.
- The types of information we share, why, and with whom.
- Opting Out - how to instruct us not to share certain information about you or not to contact you.

Protecting the Confidentiality of Customer Information:

We take our responsibility to protect the privacy and confidentiality of customer information very seriously. We maintain physical, electronic, and procedural safeguards that comply with federal standards to store and secure information about you from unauthorized access, alteration, and destruction. Our control policies, for example, authorize access to customer information only by individuals who need access to do their work.

From time to time, we enter into agreements with other companies to provide services to us or make products and services available to you. Under these agreements, the companies may receive information about you but they must safeguard this information, and they may not use it for any other purposes.

Who is Covered by the Privacy Policy:

We provide our Privacy Policy to customers when they conduct business with our company. If we change our privacy policies to permit us to share additional information we have about you, as described below, or to permit disclosures to additional types of parties, you will be notified in advance. This Privacy Policy applies to consumers who are current customers or former customers.

How We Gather Information:

As part of providing you with financial products or services, we may obtain information about you from the following sources:

- Applications, forms, and other information that you provide to us, whether in writing, in person, by telephone, electronically, or by any other means. This information may include your name, address, employment information, income, and credit references;
- Your transaction with us, our affiliates, or others. This information may include your account balances, payment history, and account usage;
- Consumer reporting agencies. This information may include account information and information about your credit worthiness;
- Public sources. This information may include real estate records, employment records, telephone numbers, etc.

Information We Share:

We may disclose information we have about you as permitted by law. We are required to or we may provide information about you to third-parties without your consent, as permitted by law, such as:

- To regulatory authorities and law enforcement officials.
- To protect against or prevent actual or potential fraud, unauthorized transactions, claims, or other liability.
- To report account activity to credit bureaus.
- To consumer reporting agencies.

- To respond to a subpoena or court order, judicial process or regulatory authorities.
- In connection with a proposed or actual sale, merger, or transfer of all or a portion of a business or an operating unit, etc.

In addition, we may provide information about you to our service providers to help us process your applications or service your accounts. Our service providers may include billing service providers, mail and telephone service companies, lenders, investors, title and escrow companies, appraisal companies, etc.

We may also provide information about you to our service providers to help us perform marketing services. This information provided to these service providers may include the categories of information described above under "How We Gather Information" limited to only that which we deem appropriate for these service providers to carry out their functions.

We do not provide non-public information about you to any company whose products and services are being marketed unless you authorize us to do so. These companies are not allowed to use this information for purposes beyond your specific authorization.

Opting Out

We also may share information about you within our corporate family of office(s). We may share all of the categories of information we gather about you, including identification information (such as your name and address), credit reports (such as your credit history), application information (such as your income or credit references), your account transactions and experiences with us (such as your payment history), and information from other third parties (such as your employment history).

By sharing this information we can better understand your financial needs. We can then send you notification of new products and special promotional offers that you may not otherwise know about. For example, if you originally obtained a mortgage loan with us, we would know that you are a homeowner and may be interested in hearing how a home equity loan may be a better option than an auto loan to finance the purchase of a new car.

You may prohibit the sharing of application and third-party credit-related information within our company or any third-party company at any time. If you would like to limit disclosures of personal information about you as described in this notice, just check the appropriate box or boxes to indicate your privacy choices.

- Please do not share personal information about me with non-affiliated third-parties.
- Please do not share personal information about me with any of your affiliates except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by myself.
- Please do not contact me with offers of products or services by mail.
- Please do not contact me with offers of products or services by telephone.

Note for Joint Accounts: Your Opt Out choices will also apply to other individuals who are joint account holders. If these individuals have separate accounts, your Opt Out will not apply to those separate accounts.

Name

Address

City, State, Zip

Phone#

Loan #

Preferred Mortgage Services, Inc.

Company Name

6 Ginger Creek Village

Address

Glen Carbon IL, 62034

City, State, Zip

618-655-9900

Phone #

Signature

Date

**NOTICE TO APPLICANT OF RIGHT
TO RECEIVE COPY OF APPRAISAL REPORT**

APPLICATION NO:

PROPERTY ADDRESS:

You have the right to receive a copy of the appraisal report to be obtained in connection with the loan for which you are applying, provided that you have paid for the appraisal.
If you would like a copy of the appraisal report, contact :

**Preferred Mortgage Services, Inc.
6 Ginger Creek Village
Glen Carbon, IL 62034**

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

SERVICING DISCLOSURE STATEMENT

Lender: **Preferred Mortgage Services, Inc.**
6 Ginger Creek Village
Glen Carbon , IL 62034

Date:

NOTICE TO MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RELATED RIGHTS. IF YOUR LOAN IS MADE, SAVE THIS STATEMENT WITH YOUR LOAN DOCUMENTS. SIGN THE ACKNOWLEDGMENT AT THE END OF THIS STATEMENT ONLY IF YOU UNDERSTAND ITS CONTENTS.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. Section 2601 et seq.) you have certain rights under that Federal law.

This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest and escrow account payments, if any. If your loan servicer changes, there are certain procedures that must be followed. This statement generally explains those procedures.

Transfer practices and requirements

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loan servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of transfer. The 15 day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you, upon the occurrence of certain business emergencies.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, and the name, address, and toll-free or collect call telephone number of the new servicer, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions. During the 60 day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

Complaint Resolution

Section 6 of RESPA (12 U.S.C. Section 2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a "qualified written request" to your servicer, then your servicer must provide you with a written acknowledgment within 20 Business Days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and the information regarding your request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or must provide you with a written clarification regarding any dispute. During this 60 Business Day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

A Business Day is any day in which the offices of the business entity are open to the public for carrying on substantially all of its business functions.

Damages and Costs

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section.

Servicing Transfer Estimates

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:

A. We may assign, sell or transfer the servicing of your loan while the loan is outstanding.

We are able to service your loan, and we

- will service your loan.
- will not service your loan.
- haven't decided whether to service your loan.

B. We do not service mortgage loans and we have not serviced mortgage loans in the past three years.

We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

2. For all mortgage loans that we make in the 12 month period after your mortgage loan is funded, we estimate that the percentage of such loans for which we will transfer servicing is between:

_____ 0 to 25% _____ 26 to 50% _____ 51 to 75% _____ 76 to 100%

This estimate does does not include assignments, sales or transfers to affiliates or subsidiaries.

This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

3. A. We have previously assigned, sold, or transferred the servicing of mortgage loans.

B. This is our record of transferring the servicing of mortgage loans we have made in:

Year	Percentage of Loans Transferred
	%
	%
	%

This information does does not include assignments, sales or transfers to affiliates or subsidiaries.

Acknowledgment of Mortgage Loan Applicant(s)

I/We have read and understood the disclosure; and understand that the disclosure is a required part of the mortgage application as evidenced by my/our signature(s) below;

Applicant Date

Applicant Date

Applicant Date

Applicant Date

Request for Copy or Transcript of Tax Form

OMB No. 1545-0429

**Please read instructions before completing this form.
 Please type or print clearly.**

Note: Do not use use this form to get **tax account information**. Instead, see instructions below.

1a Name shown on tax form. If a joint return, enter the name shown first.	1b First social security number on tax form or employer identification number (see instructions)
2a If a joint return, spouse's name shown on tax form	2b Second social security number on tax form
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Address, (including apt., room, or suite no.), city, state, and ZIP code shown on the last return filed if different from line 3	
5 If copy of form or a tax return transcript is to be mailed to someone else, show the third party's name and address.	

6 If we cannot find a record of your tax form and you want the payment refunded to the third party, check here.

7 If name in third party's records differs from line 1a above, enter that name here. (See instructions)

8 Check only one box to show what you want. There is **no charge** for items 8a, b, and c:

- a Tax return transcript of Form 1040 series filed during the **current calendar year** and the **3 prior calendar years** (see instructions).
- b Verification of nonfiling.
- c Form(s) W-2 information (see instructions).
- d Copy of tax form and all attachments (including Form(s) W-2, schedules, or other forms). **The charge is \$23 for each period requested.**

Note: if these copies must be certified for court or administrative proceedings, see instructions and check here

9 If this request is to meet a requirement of one of the following, check all boxes that apply.

- Small Business Administration Department of Education Department of Veterans Affairs Financial Institution

10 Tax form number (Form 1040, 1040A, 941, etc.)	12 Complete only if line 8d s checked.
11 Tax period(s) (year or period ended date). If more than four, see	a. Cost for each period.
	b. Number of tax periods requested on line 11
	c. Total cost. Multiply line 12a by line 12b
Full payment must accompany your request. Make check or money order payable to "Internal Revenue Service."	

Caution: Before signing, make sure all items are complete and the form is dated.

I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. I am aware that based upon this form, the IRS will release the tax information requested to any party shown on line 5. The IRS has no control over what that party does with the information.

		Telephone number of requester ()
Signature See instructions. If other than taxpayer, attach authorization document	Date	Best time to call
Title (if line 1a above is a corporation, partnership, estate, or trust)	TRY A TAX RETURN TRANSCRIPT (see line 8a instructions)	
Spouse's signature	Date	

Instructions

Section references are to the internal Revenue Code.

TIP: If you had your tax form filled in by a paid preparer, check first to see if you can get a copy from the preparer. This may save you both time and money.

Purpose of Form.- Use Form 4506 to get a tax return transcript, verification that you did not file a Federal tax return, Form W-2 information, or a copy of a tax form. Allow 6 weeks after you file a tax form before you information, wait 13 months after the end of

the year in which the wages were earned. For example, wait until Feb. 1999 to request W-2 information for wages earned in 1997.

Do not use this form to request forms 1099 or tax account information. See this page for details on how to get these items.

Note: Form 4506 must be received by the IRS within 60 calendar days after the date you signed and dated the request.

How Long Will It Take?- You can get a tax return transcript or verification of nonfiling within 7 to 10 workdays after the IRS receives your request. It can take up to 60 calendar

days to get a copy of a tax form or W-2 information. To avoid any delay, be sure to furnish all the information asked for on Form 4506.

Forms 1099.- If you need a copy of a form 1099, contact the payer. If the payer cannot help you, call or visit the IRS to get Form 1099 information.

Tax Account Information.- If you need a statement of your tax account showing any later changes that you or the IRS made to the original return, request tax account information. Tax account information lists certain items from your return, including any later changes.

(Continued on back)

To request tax account information, write or visit an IRS office or call the IRS at the number listed in your telephone directory. If you want your tax account information sent to a third party, complete **Form 8821**, Tax Information Authorization. You may get this form by phone (call 1-800-829-3676) or on the Internet (at <http://www.irs.u.streas.gov>).

Line 1b.- Enter your employer identification number (EIN) **only** if you are requesting a copy of a **business** tax form. Otherwise, enter the first social security number (SSN) shown on the tax form.

Line 2b.- If requesting a copy or transcript of a joint tax form, enter the second SSN shown on the tax form.

Note: If you do not complete link 1b and, if applicable, line 2b, there may be a delay in processing your request.

Line 5.- If you want someone else to receive the tax form or tax return transcript (such as a CPA, an enrolled agent, a scholarship board, or a mortgage lender), enter the name and address of the individual. If we cannot find a record of your tax form, we will notify the third party directly that we cannot fill the request.

Line 7.- Enter the name of the client, student, or applicant if it is different from the name shown on line 1a. For example, the name on line 1a may be the parent of a student applying for financial aid. In this case, you would enter the student's name on line 7 so the scholarship board can associate the tax form or tax return transcript with their file.

Line 8a.- If you want a tax return transcript, check this box. Also, on line 10 enter the tax form number and on line 11 enter the tax period for which you want the transcript.

A tax return transcript is available only for returns in the 1040 series (Form 1040, Form 1040A, 1040EZ, etc.). It shows most line items from the original return, including accompanying forms and schedules. In many cases, a transcript will meet the requirement of any lending institution such as a financial institution, the Department of Education, or the Small Business Administration. It may also be used to verify that you did not claim any itemized deductions for a residence.

Note: A tax return transcript **does not** reflect any changes you or the IRS made to the original return. If you want a statement of your tax account with the changes, see **Tax Account Information** on page 1.

Line 8b.- Check this box only if you want proof from the IRS that you did not file a return for the year. Also, on line 11 enter the tax period for which you want verification of nonfiling.

Line 8c.- If you want only Form(s) W-2 information, check this box. Also, on line 10 enter "Form(s) W-2 only" and on line 11 enter the tax period for which you want the information.

You may receive a copy of your actual Form W-2 or a transcript of the information, depending on how our employer filed the form. However, state withholding information is not shown on a transcript. If you have filed your tax return for the year the wages were earned, you can get a copy of the actual Form W-2 by requesting a complete copy of your return and paying the required fee.

Contact your employer if you have lost your current year's Form W-2 or have not received it by the time you are ready to prepare your tax return.

Note: If you are requesting information about your spouse's Form W-2, your spouse must sign Form 4506.

Line 8d.- If you want a certified copy of a tax form for court or administrative proceedings, check the box to the right of line 8d. It will take at least 60 days to process your request.

Line 11.- Enter the year(s) of the tax form or tax return transcript you want. For fiscal-year filers or requests for quarterly tax forms, enter the date the period ended; for example, 3/31/96, 6/30/96, etc. If you need more than four different tax periods, use additional Forms 4506. Tax forms filed 6 or more years ago may not be available for making copies. However, tax account information is generally still available for these periods.

Line 12c.- Write your SSN or EIN and "Form 4506 Request" on your check or money order. If we cannot fill your request, we will refund your payment.

Signature.- Requests for copies of tax forms or tax return transcripts to be sent to a third party must be signed by the person whose name is shown on line 1a or by a person authorized to receive the requested information.

Copies of tax forms or tax return transcripts for a jointly filed return may be furnished to either the husband or the wife. Only one signature is required. However, see the line 8c instructions. Sign Form 4506 exactly as your name appeared on the original tax form. If you changed your name, **also** sign your current name.

For a corporation, the signature of the president of the corporation, or any principal officer and the secretary, or the principal officer and another officer are generally required. For more details on who may obtain tax information on corporations, partnerships, estates, and trusts, see section 6103.

If you are **not** the taxpayer shown on line 1a, you must attach your authorization to receive a copy of the requested tax form or tax return transcript. You may **attach a copy of the authorization on document** if the original has already been filed with the IRS. This will generally be a **power of attorney** (Form 2848), or **other authorization**, such as Form 8821, or evidence of entitlement (for Title 11 Bankruptcy or Receivership Proceedings). If the taxpayer is deceased, you must send Letters Testamentary or other evidence to establish that you are authorized to act for the taxpayer's estate.

Where to File.- Mail Form 4506 with the correct total payment attached, if required, to the **Internal Revenue Service Center** for the place where you lived when the requested tax form was filed.

Note: You must use a separate form for each service center from which you are requesting a copy of your tax form or tax return transcript.

If you lived in:	Use this address:
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	1040 Waverly Ave. Photocopy Unit Stop 532 Holtsville, NY 11742
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	310 Lowell St. Photocopy Unit Stop 679 Andover, MA 01810
Florida, Georgia, South Carolina	4800 Buford Hwy. Photocopy Unit Stop 91 Doraville, GA 30362
Indiana, Kentucky, Michigan, Ohio, West Virginia	PO Box 145500 Photocopy Unit Stop 524 Cincinnati, OH 45250
Kansas, New Mexico, Oklahoma, Texas	3651 South Interregional Hwy. Photocopy Unit Stop 6716 Austin, TX 73301

Alaska, Arizona, California, (counties of Alpine, Amador, Butte, Cataveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mario, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehams, Trinity, Yolo, and Yubel, Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming

California (all other counties), Hawaii
5045 E Butler Ave.
Photocopy Unit
Stop 52180
Fresno, CA 93888

Illinois, Iowa, Minnesota, Missouri, Wisconsin
2306 E Bannister Rd.
Photocopy Unit
Stop 6700, Annex 1
Kansas City, MO 64999

Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee
PO box 30309
Photocopy Unit
Stop 46
Memphis, TN 38130

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, a foreign country, or A.P.O or F.P.O. address
11601 Roosevelt Blvd.
Photocopy Unit
DP 536
Philadelphia, PA 19255

Privacy Act and Paperwork Reduction Act

Notice.- We ask for the information on this form to establish your right to gain access to your tax form or transcript under the Internal Revenue Code, including sections 6103 and 6109. We need it to gain access to your tax form or transcript in our files and properly respond to your request. If you do not furnish the information, we will not be able to fill your request. We may give the information to the Department of Justice or other appropriate law enforcement official, as provided by law.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances.

The estimated average time is: **Recordkeeping**, 13min.; **Learning about the law or the form**, 7min.; **Preparing the form**, 26min.; and **Copying, assembling, and sending the form to the IRS**, 17min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this address. Instead, see **Where To File** on this page.

NOTICE TO HOMEOWNER

Property Address : _____ File No.: _____

Assumption of HUD/FHA-Insured Mortgages Release of Personal Liability

You are legally obligated to make the monthly payments required by your mortgage (deed of trust) and promissory note.

The Department of Housing and Urban Development (HUD) has acted to keep investors and noncreditworthy purchasers from acquiring one- to four-family residential properties covered by certain FHA-insured mortgages. There are minor exceptions to the restriction on investors: loans to public agencies and some nonprofit organizations, Indian tribes or servicepersons; and loans under special mortgage insurance programs for property sold by HUD, rehabilitation loans or refinancing of insured mortgages. Your lender can advise you if you are included in one of these exceptions.

HUD will therefore direct the lender to accelerate this FHA-insured mortgage loan if all or part of the property is sold or transferred to a purchaser or recipient (1) who will not occupy the property as his or her principal residence, or (2) who does occupy the property but whose credit has not been approved in accordance with HUD requirements. This policy will apply except for certain sales or transfers where acceleration is prohibited by law.

When a loan is accelerated, the entire balance is declared "immediately due and payable." Since HUD will not approve the sale of the property covered by this mortgage to an investor or to a person whose credit has not been approved, you, the original homeowner, would remain liable for the mortgage debt even though the title to the property might have been transferred to the new buyer.

Even if you sell your home by letting an approved purchaser (that is, a creditworthy owner-occupant) assume your mortgage, you are still liable for the mortgage debt unless you obtain a release from liability from your mortgage lender. FHA-approved lenders have been instructed by HUD to prepare such a release when an original homeowner sells his or her property to a creditworthy purchaser who executes an agreement to assume and pay the mortgage debt and thereby agrees to become the substitute mortgagor. The release is contained in Form HUD-92210-1, ("Approval of Purchaser and Release of Seller"). You should ask for it if the mortgage lender does not provide it to you automatically when you sell your home to a creditworthy owner-occupant purchaser who executes an agreement to assume personal liability for the debt. When this form is executed, you are no longer liable for the mortgage debt.

You must sign and date this notice as indicated, return one copy to your lender as proof of notification and keep one copy for your records.

_____	_____
Applicant	Date
_____	_____
Applicant	Date

* Instruction to lender : A copy of this notice must be given to the mortgagor(s) on or before the date of settlement. You should retain assigned copy in the origination file.

INFORMED CONSUMER CHOICE DISCLOSURE NOTICE

Borrower(s): _____

Property Addr: _____

Loan Number: _____

In addition to an FHA-insured mortgage, you may also qualify for other mortgage products offered by your lender. To assure that you are aware of possible choices in financing, your lender has prepared a comparison of the typical costs of alternative conventional mortgage product(s) below, using representative loan amounts and costs (the actual loan amounts and associated costs shown below will vary from your own mortgage loan transaction). You should study the comparison carefully, ask questions, and determine which product is best for you. The information provided below was prepared as of _____

Neither your lender nor FHA warrants that you actually qualify for any mortgage loan offered by your lender. This notice is provided to identify the key differences between these mortgage products offered by your lender. **This disclosure is not a contract and does not constitute loan approval.** Actual mortgage approval can only be made following a full underwriting analysis by your mortgage lender.

1	Sales Price		
2	Mortgage Amount (with Up-front Mortgage Insurance Premium)		
3	Closing Costs		
4	Down Payment Needed		
5	Interest Rate and Term of Loan in Years		
6	Monthly Payment (principal and interest only)		
7	Loan-to-Value		
8	Monthly Mortgage Insurance Premium (first year) *		
9	Maximum # of Years of Monthly Insurance Premium Payments		
10	Up-front Mortgage Insurance Premium (if applicable) ** (Included in Mortgage Amount, line 2)		

* Monthly mortgage insurance premiums are calculated on the average annual principal balance, i.e., as the amount you owe on the loan decreases each year, so does the amount of the monthly premium.

** Based on an up-front mortgage insurance premium rate of _____ %.

FHA Mortgage Insurance Premium Information:

If you paid an up-front mortgage insurance premium, you will also be charged a monthly mortgage insurance premium until the loan-to-value ratio of your mortgage reaches 78 percent of the *initial* sales price or appraised value of your home, whichever was lower (provided that premiums are paid for at least five years). You will reach 78 percent loan-to-value threshold in one of two ways: Through normal amortization as you make your monthly payments, or by paying additional principal on the mortgage. Your lender can advise you on when the mortgage will reach the 78 percent level through normal amortization.

If you have a 15-year mortgage and make a downpayment in excess of 10 percent, you will not have to make monthly mortgage insurance premiums. You will also reach the 78 percent loan-to-value threshold earlier than on longer term mortgages and may not have to pay monthly mortgage insurance premiums for the full five years.

You are required to make these payments on your FHA-insured loan unless you refinance or the mortgage is otherwise paid in full.

If you were *not* charged an up-front premium, as for example on condominiums, you will pay the monthly premium for the life of the mortgage.

I/We have received a copy of this disclosure.

Borrower

Date

Borrower

Date

Important Notice to Homebuyers

U.S. Department of Housing and
Urban Development
Office of Housing - Federal Housing
Commissioner

You must read this entire document at the time you apply for the loan.
Return one copy to lender as proof of notification and keep one copy for your records.

Condition of Property

The property you are buying is not HUD/FHA approved and HUD/FHA does not warrant the condition or the value of the property. An appraisal will be performed to estimate the value of the property, but this appraisal does not guarantee that the house is free of defects. You should inspect the property yourself very carefully or hire a professional inspection service to inspect the property for you.

Interest Rate and Discount Points.

- HUD does not regulate the interest rate or the discount points that may be paid by you or the seller or other third party. You should shop around to be sure you are satisfied with the loan terms offered and with the service reputation of the lender you have chosen.
- The interest rate, any discount points and the length of time the lender will honor the loan terms are all negotiated between you and the lender.
- The seller can pay the discount points, or a portion thereof, if you and the seller agree to such an arrangement.
- Lenders may agree to guarantee or "lock-in" the loan terms for a definite period of time (i.e., 15, 30, 60 days, etc.) or may permit your loan to be determined by future market conditions, also

known as "floating". Lenders may require a fee to lock in the interest rate or the terms of the loan, but must provide a written agreement covering a minimum of 15 days before the anticipated closing. Your agreement with the lender will determine the degree, if any, that the interest rate and discount points may rise before closing.

- If the lender determines you are eligible for the mortgage, your agreement with the seller may require you to complete the transaction or lose your deposit on the property.

Don't Commit Loan Fraud

It is important for you to understand that you are required to provide complete and accurate information when applying for a mortgage loan.

- Do not falsify information about your income or assets.
- Disclose all loans and debts (including money that may have been borrowed to make the down payment).
- Do not provide false letters-of-credit, cash-on-hand statements, gift letters or sweat equity letters.
- Do not accept funds to be used for your downpayment from any other party (seller, real estate salesperson, builder, etc.).
- Do not falsely certify that a property will be used for your primary residence when you are actually going to use it as a rental property.
- Do not act as a "strawbuyer" (somebody who purchases a property for another person and then transfers title of the property to that person), nor should you give that person personal or credit information for them to use in any such scheme.

- Do not apply for a loan by assuming the identity of another person.
- **Do not sign an incomplete or blank document; that is, one missing the name and address of the recipient and/or other important identifying information.**

Penalties for Loan Fraud: Federal laws provide severe penalties for fraud, misrepresentation, or conspiracy to influence wrongly the issuance of mortgage insurance by HUD. You can be subject to a possible prison term and fine of up to \$10,000 for providing false information. Additionally, you could be prohibited from obtaining a HUD-insured loan for an indefinite period.

Report Loan Fraud: If you are aware of any fraud in HUD programs or if an individual tries to persuade you to make false statements on a loan application, you should report the matter by calling your nearest HUD office or the HUD regional Inspector General, or call the HUD Hotline on 1 (800) 347-3735.

Warning: It is a crime to knowingly make false statements to the United States Government on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

Discrimination

If you believe you have been subject to discrimination because of race, color, religion, sex, handicap, familial status, or national origin, you should call HUD's Fair Housing & Equal Opportunity Complaint Hotline: 1 (800) 669-9777.

About Prepayment

This notice is to advise you of the requirements that must be followed to accomplish a prepayment of your mortgage, and to prevent accrual of any interest after the date of prepayment.

You may prepay any or all of the outstanding indebtedness due under your mortgage at any time, without penalty. However, to avoid the accrual of interest on any prepayment, the prepayment

must be received on the installment due date (the first day of the month) if the lender stated this policy in its response to a request for a payoff figure.

Otherwise, you may be required to pay interest on the amount prepaid through the end of the month. The lender can refuse to accept prepayment on any date other than the installment due date.

FHA Mortgage Insurance Information**Who May be Eligible for a Refund?**

Premium Refund: You may be eligible for a refund of a portion of the insurance premium if you paid an upfront mortgage insurance premium at settlement.

Review your settlement papers or check with your mortgage company to determine if you paid an upfront premium .

Exceptions:

Assumptions: When a FHA insured loan is assumed the insurance remains in force (the seller receives no refund). The owner(s) of the property at the time the insurance is terminated is entitled to any refund.

FHA to FHA Refinance: When a FHA insured loan is refinanced, the refund from the old premium may be applied toward the upfront premium required for the new loan.

How are Refunds Determined?

The FHA Commissioner determines how much of the upfront premium is refunded when loans are terminated. Refunds are based on the number of months the loan is insured. After 60 months (5 years) no refund is due the homeowner.

How are Refunds Processed?

1. Refunds of unearned upfront mortgage insurance premiums are refunded upon the receipt of the termination notice initiated by the lender. Once HUD receives and processes the termination, the refund process is initiated.
2. If you are eligible for a refund, HUD will either request Treasury to issue you a check directly or will send you an Application for Premium Refund (form HUD-27050-B).
3. Read the application carefully, sign, have it notarized, and attach proof of ownership at insurance termination.
4. Return application to the address shown on the HUD-27050-B.
5. HUD will request Treasury to issue a check if no additional information is needed.

How to Follow-Up

If you do not receive an application within 45 days after you have paid off your loan, check with your mortgage company to confirm that they have sent HUD a request for termination. If they confirm that the correct termination information was sent, contact HUD.

If you do not receive a refund or any other documentation from HUD within 60 days from the date you mailed your application, contact HUD immediately.

How to Contact HUD

By Phone:

800 697-6967
8:30 AM to 8:30 PM (EST)
Monday through Friday

By Mail:

U.S. Department of Housing & Urban Development
PO Box 23699
Washington, DC 20026-3699

Monthly Insurance Premiums

If you paid an upfront mortgage premium, you will also be charged a monthly mortgage insurance premium until the loan-to-value of your mortgage reaches 78 percent of the *initial* sales price or appraised value of your home, whichever was lower (provided that premiums are paid for at least five years). You will reach the 78 percent loan-to-value threshold in one of two ways: Through normal amortization as you make your monthly payments, or by paying additional principal on the mortgage. Your lender can advise you on when the mortgage will reach the 78 percent loan-to-value threshold. If you were *not* charged an upfront premium, as for example on condominiums you will pay the monthly premium for the life of the mortgage.

Note: All inquiries should include your name, 10-digit FHA case number, paid in full date, property address, and a daytime phone number. Record your FHA case number here for future reference.

Important: The rules governing the eligibility for premium refunds are based on the financial status of the FHA insurance fund and are **subject to change**.

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You, the borrower(s), must be certain that you understand the transaction. Seek professional advice if you are uncertain.

Acknowledgment: I acknowledge that I have read and received a copy of this notice at the time of loan application. This notice does not constitute a contract or binding agreement. It is designed to provide current HUD/FHA policy regarding refunds.

Signature & Date

Signature & Date

X _____

X _____

Signature & Date

Signature & Date

X _____

X _____