

# HERITAGE MORTGAGE CORPORATION

## INFORMATION AUTHORIZATION

To Whom It May Concern:

I/We hereby authorize Heritage Mortgage Corporation to verify any information necessary in connection with the application being filed by the undersigned for the purpose of obtaining financing through Heritage Mortgage Corporation on my/our behalf including but not limited to the following:

1. Credit History Information;
2. Income Information;
3. Employment/Unemployment Information;
4. Bank Account(s) Information;
5. Asset Account(s) Information;
6. Mortgage/Rental History Information.

Authorization is further granted to Heritage Mortgage Corporation to use a copy of my/our signatures below to obtain information regarding any of the aforementioned items. This Authorization will expire ninety (90) days from the date of signature.

\_\_\_\_\_  
Applicant's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Applicant's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Applicant's Street Address

\_\_\_\_\_  
City, State, Zip Code

# COMPLIANCE ACKNOWLEDGMENT

## EQUAL CREDIT OPPORTUNITY ACT NOTICE

The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (providing that 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 administers compliance with this law concerning this creditor is the FEDERAL TRADE COMMISSION, 450 Golden Gate Avenue, Box 36005, San Francisco, California 94102. (415) 556-1270.

Civil Code Section 1812.30: Requires notice that "the applicant, if married, may apply for a separate account."

Alimony, child support, or separate maintenance income need not be revealed if the borrower or co-borrower does not choose to have it considered as a basis for repaying this loan

## Voluntary Information for Government Monitoring Purposes

If this loan is for purchase or construction of a home, any information regarding race, national origin, sex, marital status, or age is requested by the Federal government to monitor this lender's compliance with Equal Credit Opportunity and federal anti-discrimination statutes. The law provides that a lender may neither discriminate on the basis of this information nor on whether or not it is furnished. Furnishing this information is optional.

## Notice to Applicants – Financial Privacy Act

This is notice to you as requested by the Right to Financial Privacy Act of 1978 that the Department of Housing and Urban Development or the Veterans Administration has a right of access to financial records held in a financial institution in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to the Department of Housing and Urban Development 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.

## State of California Fair Lending Notice

To all applicants for a loan for the purchase, construction, rehabilitation, improvements or refinancing of one to four family residences: Under the Housing Financial Discrimination Act of 1977, it is unlawful for a financial institution to refuse to make a loan or to offer less favorable terms than normal (such as a higher interest rate, larger down payment or shorter maturity) based on any of the following considerations:

1. Neighborhood characteristics such as the average age of the homes or the income level in the neighborhood, except to a limited extent necessary to avoid an unsafe and unsound business practice.
2. Race, sex, color, religion, marital status, national origin or ancestry.

It is also unlawful to consider, in appraising a residence, the racial, ethnic, or religious composition of a particular neighborhood, whether or not such composition is undergoing change or is expected to undergo change.

If you wish to file a complaint, or if you have questions about your rights, contact:

Office of the Comptroller of the Currency  
San Francisco Field Office  
425 Market Street, Suite 2800  
San Francisco, CA 94105

If you file a complaint, the law requires that you receive a decision within thirty (30) days.

## I/WE HAVE RECEIVED A COPY OF THIS NOTICE:

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

# CALIFORNIA CREDIT SCORE DISCLOSURE

In evaluating your application for a home mortgage loan, one factor your lender will consider is one or more of your credit scores because they assist the lender in evaluating your credit history in a faster, more objective manner. Your credit scores are found on your credit report, a copy of which was provided to you with this disclosure. The range of possible scores is from 300 to 850. Your lender may also obtain and consider other credit scores in making its decision on your application from the credit bureaus listed below.

In addition to the credit scores, your credit report lists the key factors why your scores were less than the maximum possible scores. Please keep in mind that the factors are only indicators of why you received less than the maximum score possible. The listing of these factors does not by itself indicate that you would not be approved for the loan you have requested. Your lender considers many factors in addition to your credit scores in making a decision on your application. If your application is not approved, you will receive a separate notice stating the specific reasons for that action which may or may not relate to your credit scores.

Your lender did not calculate your credit scores nor did your lender develop the scoring models. If you have any questions about your credit scores or the information in the credit report from which the scores were computed, you can contact the credit bureaus at the addresses listed below:

Equifax, LLC  
PO Box 740241  
Atlanta, GA 30374  
(800) 685-1111  
[www.equifax.com](http://www.equifax.com)

Trans Union, LLC  
PO Box 1000  
Chester, PA 19022  
(866) 887-2673  
[www.transunion.com](http://www.transunion.com)

Experian, LLC  
PO Box 2002  
Allen, TX 75013  
(888) 397-3742  
[www.experian.com](http://www.experian.com)

## NOTICE TO HOME LOAN APPLICANT

Pursuant to California Civil Code Section 1785.20.2

In connection with your application for a home loan, the lender must disclose to you the score that a credit bureau distributed to users and the lender used in connection with your home loan, and the key factors affecting your credit score.

The credit score is a computer-generated summary calculated at the time of the request and based on the information a credit bureau or lender has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the lender in determining whether you will obtain a loan. They may also be used to determine what interest rate you may be offered on the mortgage. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.

Because the score is based on information in your credit history, it is very important that you review the credit-related information that is being furnished to make sure it is accurate. Credit records may vary from one company to another.

If you have questions about your credit score or the credit information that is furnished to you, contact the credit bureau at the address and telephone number provided with this notice, or contact the lender if the lender developed or generated the credit score. The credit bureau plays no part in the decision to take any action on the loan application and is unable to provide you with specific reasons for the decisions on a loan application.

If you have any questions concerning the terms of the loan, contact the lender.

**This certifies that this Disclosure, along with a copy of their credit report, has been provided to each applicant/client eligible pursuant to California Civil Code Section 1785.20.2.**

\_\_\_\_\_  
Lender Date

\_\_\_\_\_  
Borrower Date

\_\_\_\_\_  
Borrower Date

## MORTGAGE LOAN ORIGATION AGREEMENT

You agree to enter into this Mortgage Loan Origination Agreement with **Heritage Mortgage Corporation** as an independent contractor to apply for a residential mortgage loan from a participating lender with which we from time to time contract upon such terms and conditions as you may request or a Lender may require. You inquired into mortgage financing with **Heritage Mortgage Corporation** on \_\_\_\_\_. We are licensed as a "Mortgage Broker" under the laws of the State of California.

### SECTION 1. NATURE OF RELATIONSHIP. In connection with this mortgage loan:

- We are acting as your agent.
- We will enter into separate independent contractor agreements with various lenders.
- While we seek to assist you in meeting your financial needs, we do not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or best terms available in the market.

### SECTION 2. OUR COMPENSATION. The lenders whose loan products we distribute generally provide their loan products to us at a wholesale rate.

- The retail price we offer you--your interest rate, total points and fees--will include our compensation.
- In some cases, we may be paid all of our compensation by either you or the lender.
- Alternatively, we may be paid a portion of our compensation by both you and the lender. For example, in some cases, if you would rather pay a lower interest rate, you may pay higher up-front points and fees.
- Also, in some cases, if you would rather pay less up-front, you may be able to pay some or all of our compensation indirectly through a higher interest rate in which case we will be paid directly by the lender.

We also may be paid by the lender based on (i) the value of the Mortgage Loan or related servicing rights in the market place or (ii) other services, goods or facilities performed or provided by us to the lender.

By signing below, applicant(s) acknowledge receipt of a copy of this signed Agreement.

**HERITAGE MORTGAGE CORPORATION**

**BORROWER(S)**

By: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

# DISCLOSURE STATEMENT

## NOTICE TO MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT OUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RELATED RIGHTS. READ THIS STATEMENT AND SIGN IT 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 under certain limited circumstances, when your servicer is changed abruptly. This exception applies only if your servicer is fired for cause, is in bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by a Federal agency.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, 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 about the transfer of servicing. 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 loan servicer concerning the servicing of your loan, 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 payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reasons for the 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, excluding public holidays (State or Federal), Saturday and Sunday.

### 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 Estimated by Lender

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

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

Will  Will not  Have not decided whether to service your loan.

OR

We do not service mortgage loans, and we presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

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

0 to 25%  26 to 50%  51 to 75%  75 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. This is our record of transferring the servicing of the mortgage loans we have made in the past:

<u>Year</u>	<u>Percentage of Loans Transferred</u> (Rounded to nearest quartile - 0%, 25%, 50%, 75%, or 100%)
_____	_____%
_____	_____%
_____	_____%

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

### Acknowledgment of Mortgage Loan Applicant

I/We have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

## HOMEOWNER'S INSURANCE INFORMATION

Requested By: Heritage Mortgage Corporation

Borrower's Name(s): \_\_\_\_\_

\_\_\_\_\_

Property Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

Agent's Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Policy # (if available): \_\_\_\_\_



# CAUTION

US Department of Housing  
and Urban Development  
Federal Housing Administration (FHA)



OMB Approval No: 2502-0538  
(exp. 07/31/2009)

## For Your Protection: Get a Home Inspection

### Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- \* Evaluate the physical condition: structure, construction, and mechanical systems;
- \* Identify items that need to be repaired or replaced; and
- \* Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

### Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

- \* Estimate the market value of a house;
- \* Make sure that the house meets FHA minimum property standards/requirements; and
- \* Make sure that the property is marketable.

### FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

### Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

### Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.



HUD-92564-CN (6/06)



# CAUTION



## Important Notice to Homebuyers

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

OMB Approval No. 2502-0059  
(Expires 04/30/2017)

**You must** read this entire document at the time you apply for the loan.

Return one copy to mortgagee as proof of notification and keep one copy for your records.

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### 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.

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### Interest Rate and Discount Points

- a. 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 mortgagee you have chosen.
- b. The interest rate, any discount points, and the length of time the mortgagee will honor the loan terms are all negotiated between you and the mortgagee.
- c. The seller can pay the discount points, or a portion thereof, if you and the seller agree to such an arrangement.
- d. Mortgagees 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". Mortgagees 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.
- e. Your agreement with the mortgagee will determine the degree, if any, that the interest rate and discount points may rise before closing.
- f. If the mortgagee 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.

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### 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.

- a. Do not falsify information about your income or assets.
- b. Disclose all loans and debts (including money that may have been borrowed to make the down payment).
- c. Do not provide false letters-of-credit, cash-on-hand statements, and gift letters or sweat equity letters.
- d. Do not accept funds to be used for your down payment from any other party (seller, real estate salesperson, builder, etc.).
- e. 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.
- f. 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.
- g. Do not apply for a loan by assuming the identity of another person.

- h. Do not sign an incomplete or blank document; that is missing the name and address of the recipient 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.

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### 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 mortgagee 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 mortgagee can refuse to accept prepayment on any date other than the installment due date.

For all FHA mortgages closed on or after January 21, 2015, mortgagees may only charge interest through the date the mortgage is paid in full.

## 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 and are refinancing with another FHA mortgage.

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 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.

### Monthly Insurance Premiums

In addition to an upfront mortgage insurance premium (UFMIP), you may also be charged a monthly mortgage insurance premium. You will pay the monthly premium for either:

- the first 11 years of the mortgage term, or the end of the mortgage term, whichever occurs first, if your mortgage had an original principal obligation (excluding financed UFMIP) with a loan-to-value (LTV) ratio of less than or equal to 90 percent; or
- the first 30 years of the mortgage term, or the end of the mortgage term, whichever occurs first, for any mortgage involving an original principal obligation (excluding financed UFMIP) with an LTV greater than 90 percent.)

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**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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SI USTED HABLA ESPANOL Y TIENE DIFICULTAD LEYENDO O HABLANDO INGLES, POR FAVOR LLAME A ESTE NUMERO TELEFONICO 800.697.6967.

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

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**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.

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Signature & Date:

Signature & Date:

X

X

Signature & Date:

Signature & Date:

X

X

# **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ENERGY EFFICIENT MORTGAGE PILOT PROGRAM**

Section 513 of the Housing and Community Development Act of 1992 requires the U.S. Department of Housing and Urban Development (HUD) through the Federal Housing Administration (FHA) to establish a pilot program to provide mortgage insurance for energy efficient mortgages. The property you are purchasing or refinancing may be eligible for this pilot program. The law requires that you be informed of this program and that you acknowledge by signing this statement that you understand the benefits of the program.

## **WHAT IS AN ENERGY EFFICIENT MORTGAGE?**

An energy efficient mortgage, or EEM, recognizes the energy savings of a home. It allows the homebuyer (or homeowner if it is a refinance) to qualify for a larger mortgage to finance the construction or installation of improvements to a home that will increase the home's energy efficiency. Because the home will be more energy efficient after installation of the energy savings improvements, the family can devote more of its income toward the mortgage payments.

## **HOW DO I APPLY FOR AN EEM?**

When you apply for your mortgage loan, tell your lender that you are interested in an EEM. You or the lender must then have the home inspected and rated by a home energy rating organization. Many utility companies and other organizations perform these energy inspections and ratings. The home energy rating organization will determine the energy use of the home and recommend the improvements that may save energy. For example, the inspection may show that adding additional insulation, replacing an old furnace or other similar improvements will increase the energy efficiency of the home. If these improvements will save you more money than it costs to install them, then the costs of the improvements (up to certain dollar limits) may be financed into your mortgage.

## **WHERE CAN I GET MORE INFORMATION ABOUT AN EEM?**

Ask your real estate broker, mortgage lender, utility company or state energy office for more information about an EEM.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

**NOTICE TO HOMEOWNER  
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 non-creditworthy 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 non-profit 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 or secondary 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.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
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 a signed copy in the origination file.

## FHA REAL ESTATE CERTIFICATION

Property address: \_\_\_\_\_  
We hereby certify that the terms of the sales contract dated \_\_\_\_\_, 20\_\_\_\_  
between \_\_\_\_\_ (buyer)  
and \_\_\_\_\_ (seller) are  
true and correct to the best of our knowledge. Any other agreement entered into by any  
of the parties in this transaction is disclosed and attached to the sales contract.

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## AMENDMENT TO SALES CONTRACT

It is expressly agreed that notwithstanding any other provisions of the sales contract, the purchaser shall not be obligated to complete the purchase of the above described property or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the seller has delivered to the purchaser a written statement issued by the Federal Housing Commissioner or a Direct Endorsement Lender setting forth the appraised value of the property (excluding closing costs) of not less than:

\$ \_\_\_\_\_

Which statement seller hereby agrees to deliver to purchaser promptly after such appraised value statement is made available to the seller. The purchaser shall, however, have the option of proceeding with consummation of the contract without regard to the amount of appraised valuation.

The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the property. The purchaser should satisfy himself or herself that the price and condition of the property are acceptable.

Buyer's Signature	Date	Seller's Signature	Date
Buyer's Signature	Date	Seller's Signature	Date
Selling Agent's Signature	Date	Listing Agent's Signature	Date

# INFORMED CONSUMER CHOICE DISCLOSURE

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 was prepared on \_\_\_\_\_.

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.

	FHA Financing 203(b) Fixed Rate	Conventional Financing 97% with Mortgage Insurance (MI)
1. Sales Price	\$100,000.00	\$100,000.00
2. Mortgage Amount	\$97,950.00 (\$99,216.00 w/Upfront Mortgage Insurance Premium)	\$97,000.00
3. Closing Costs	\$2,000.00	\$2,000.00
4. Down Payment Needed	\$4,250.00	\$5,000.00
5. Interest Rate and Term of Loan in Years	7.000% / 30 Year Loan	7.000% / 30 Year Loan
6. Monthly Payment (principal and interest only)	\$660.00	\$645.00
7. Loan-to-Value	97.75%	97.00%
8. Monthly Mortgage Insurance Premium (first year)	\$39.94	\$76.63
9. Maximum Number of Years of Monthly Insurance Premium Payments*	Approx. 14 Years	Approx. 13 Years
10. Upfront Mortgage Insurance Premium (If applicable) **	\$1,466 (included in Mortgage Amount, line 2)	N/A

\* 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 upfront mortgage insurance premium rate of 1.500%

## FHA Mortgage Insurance Premium Information:

If you paid an upfront 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 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 level through normal amortization.

If you have a 15 year mortgage and make a down payment 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 upfront premium, as for example on condominiums, you will pay the monthly premium for the life of the mortgage.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date