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.

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

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.

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.

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.

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.

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 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.
FHA DISCLOSURES
AMENDATORY CLAUSE / REAL ESTATE CERTIFICATION

Buyer(s) ___________________________________________ Date of Agreement: __________
Seller(s) ___________________________________________ File No.: ________________________
Property Address: __________________________________

FHA AMENDATORY CLAUSE

It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete
the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise
unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal
Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of
the property of not less than $___________________________. The purchaser shall have the privilege and option of proceeding with
consummation of the contract without regard to the amount of the 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 nor the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the
property are acceptable.

<table>
<thead>
<tr>
<th>Borrower</th>
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<tbody>
<tr>
<td>Borrower</td>
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<tr>
<td>Seller</td>
<td>Date</td>
</tr>
<tr>
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</tr>
</tbody>
</table>

Note: The dollar amount to be inserted in the amendatory clause is the sales price as stated in the contract. If the borrower and
seller agree to adjust the sales price in response to an appraised value that is less than the sales price, a new amendatory clause
is not required. However, the loan application package must include the original sales contract with the same price as shown
on the amendatory clause, along with the revised or amended sales contract.

REAL ESTATE CERTIFICATION

We, the borrower, seller, and the selling real estate agent or broker involved in the sales transaction certify by our signatures
below that the terms and conditions of the sales contract are true to the best of our knowledge and belief, and that any other
agreement entered into by any of these parties in connection with this real estate transaction is part of, or attached to, the
sales agreement.

<table>
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</tr>
<tr>
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<td>Date</td>
</tr>
<tr>
<td>Seller</td>
<td>Date</td>
</tr>
<tr>
<td>Listing Agent (as applicable)</td>
<td>Date</td>
</tr>
<tr>
<td>Selling Agent (as applicable)</td>
<td>Date</td>
</tr>
</tbody>
</table>

WARNING: Our signatures above indicate that we fully understand that it is a Federal Crime punishable by fine, imprisonment
or both to knowingly make any false statements concerning any of the above facts as applicable under the provision of Title 18,
United States Code, Section 1012 and 1014.
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,

You Must Ask for a Home Inspection

A home inspection will only occur if you arrange for one. FHA does not perform a home inspection.

Decide early. You may be able to make your contract contingent on the results of the inspection.

Appraisals are Different from Home Inspections

An appraisal is different from a home inspection and does not replace a home inspection. Appraisals estimate the value of the property for lenders. An appraisal is required to ensure the property is marketable. Home inspections evaluate the condition of the home for buyers.

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

If you find problems with your new home after closing, FHA cannot give or lend you money for repairs, and FHA cannot buy the home back from you. 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 and other safety/health issues

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.

Ask your home inspector about additional health and safety tests that may be relevant for your home.

Be an Informed Buyer

It is your responsibility to be an informed buyer. You have the right to carefully examine your potential new home with a qualified home inspector. To find a qualified home inspector ask for references from friends, realtors, local licensing authorities and organizations that qualify and test home inspectors.
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.
FHA Identity of Interest Certification

Borrower(s):                                           Broker/Lender:

What is an “Identity of Interest”?

FHA defines an "Identity of Interest" as any relationship where the purchaser and seller are related, and/or affiliated through a business relationship. This could, for example, be parent/child as buyer/seller, corporation selling to an employee, persons who are partners in other projects as buyer/seller. FHA restricts the loan to value on such loans to 75% of the lesser of the property value plus closing costs or acquisition cost for investor properties/non-occupying co-borrower transactions; or 85% of the lesser of the property value plus closing costs or acquisition cost for owner-occupied properties.

Check the option below that describes your situation:

(   ) I do not have an "identity of interest" with the seller of the property I plan to purchase with the FHA financing for which I have applied.

(   ) I do have an "identity of interest" with the seller of the property I plan to purchase with the FHA financing for which I have applied. Further, I understand that my loan-to-value ratio is restricted as follows:
   • to 85% of the lesser of the property value plus closing costs or acquisition cost since I will occupy the property;
   • to 75% of the lesser of the property value plus closing costs or acquisition cost since there is a non-occupying co-borrower or a non-occupying borrower which will not occupy the property as a principal residence.
   • My relationship with the seller is:

Warning: Our signature(s) below indicate that we fully understand that it is a Federal Crime punishable by fine, imprisonment or both to knowingly make any false statements concerning any of the above facts as applicable under the provision of Title 18, United States Code, Section 1012 and 1014.

I/We have received a copy of this disclosure.

_____________________________  _______________________________  _______________________________  _______________________________
Borrower                          Date                          Co-Borrower                          Date

FHA Identity of Interest Certification 04/04 - Encompass™ from Ellie Mae - www.ellie Mae.com
# Lead-Based Paint Notification

## Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

### Lead Warning Statement

*Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards is not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling. Tenants must also receive a Federally approved pamphlet on lead poisoning prevention.*

### Lessor's Disclosure (initial)

- **(a)** Presence of lead-based paint or lead-based paint hazards (check one below):
  - [ ] Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
  - [ ] Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

- **(b)** Records and reports available to the lessor (check one below):
  - [ ] Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
  - [ ] Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

### Lessee's Acknowledgment (initial)

- **(c)** Lessee has received copies of all information listed above.
- **(d)** Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

### Agent's Acknowledgment (initial)

- **(e)** Agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

### Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

<table>
<thead>
<tr>
<th>Lessor</th>
<th>Date</th>
<th>Lessor</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessee</td>
<td>Date</td>
<td>Lessee</td>
<td>Date</td>
</tr>
<tr>
<td>Agent</td>
<td>Date</td>
<td>Agent</td>
<td>Date</td>
</tr>
</tbody>
</table>
Exhibit I
U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Notification
Watch Out For Lead-Based Paint Poisoning

This property was constructed before 1978. There is a possibility it contains lead-based paint. Please read the following information concerning lead-based paint poisoning.

Sources of Lead-Based Paint

The interiors of older homes and apartments often have layers of lead-based paint on the walls, ceilings, window sills, doors and door frames. Lead-based paint and primers may also have been used on outside porches, railings, garages, fire escapes and lamp posts. When the paint chips, flakes or peels off, there may be a real danger for babies and young children. Children may eat paint chips or chew on painted railings, window sills, or other items when parents are not around. Children can also ingest lead even if they do not specifically eat paint chips. For example, when children play in an area where there are loose paint chips or dust particles containing lead, they may get these particles on their hands, put their hands into their mouths, and ingest a dangerous amount of lead.

Hazards of Lead-Based Paint

Lead poisoning is dangerous, especially to children under the age of seven (7). It can eventually cause mental retardation, blindness and even death.

Symptoms of Lead-Based Poisoning

Has your child been especially cranky or irritable? Is he or she eating normally? Does your child have stomachaches and vomiting? Does he or she complain of headaches? Is your child unwilling to play? These may be signs of lead poisoning. Many times though, there are no symptoms at all. Because there are no symptoms does not mean that you should not be concerned if you believe your child has been exposed to lead-based paint.

Advisability and Availability of Blood Lead Level Screening

If you suspect that your child has eaten chips of paint or someone told you this, you should take your child to the doctor or clinic for testing. If the test shows that your child has an elevated blood lead level, treatment is available. Contact your doctor or local health department for help or more information. Lead screening and treatment are available through the Medicaid Program for those who are eligible. If your child is identified as having an elevated blood lead level, you should immediately notify the Community Development or other agency to which you or your landlord is applying for rehabilitation assistance so the necessary steps can be taken to test your unit for lead-based paint hazards. If your unit does have lead-based paint, you may be eligible for assistance to abate the hazard.

Precautions to Take to Prevent Lead-Based Paint Poisoning

You can avoid lead-based paint poisoning by performing some preventive maintenance. Look at your walls, ceilings, doors, door frames and window sills. Are there places where the paint is peeling, flaking, or powdering? If so, there are some things you can do immediately to protect your child:

(a) Cover all furniture and appliances;
(b) Get a broom or stiff brush and remove all loose pieces from walls, woodwork, window wells and ceilings;
(c) Sweep up all pieces of paint and plaster and put them in a paper bag or wrap them in newspaper. Put these packages in the trash can. DO NOT BURN THEM.
(d) Do not leave paint chips on the floor in window wells. Damp mop floors and window sills in and around the work area to remove dust and paint particles. Keeping these areas clear of paint chips, dust and dirt is easy and very important; and
(e) Do not allow loose paint to remain within your children's reach since children may pick loose paint off the lower part of the walls.

Homeowner Maintenance and Treatment of Lead-Based Paint Hazards

As a homeowner, you should take the necessary steps to keep your home in good shape. Water leaks from faulty plumbing, defective roofs, and exterior holes or breaks may admit rain and dampness into the interior of your home. These conditions damage walls and ceilings and cause paint to peel, crack or flake. These conditions should be corrected immediately. Before painting, all surfaces that are peeling, cracking, chipping or loose should be thoroughly cleaned by scraping or brushing the loose paint from the surface, then repainted with two (2) coats of nonleaded paint. Instead of scraping and repainting, the surface may be covered with other material such as wallboard, gypsum, or paneling. Beware that when lead-based paint is removed, any dust created may be hazardous. The dust can enter the body either by breathing it or swallowing it. The use of heat or paint removers could create a vapor or fume which may cause poisoning if inhaled over a long period of time. Whenever possible, the removal of lead-based paint should take place when there are no children or pregnant women on the premises. Simply painting over defective lead-based paint surfaces does not eliminate the hazard. Remember that you as an adult play a major role in protecting your home from lead poisoning. Your actions and awareness about the lead problem can make a big difference.

Tenant and Homebuyer Responsibility

You should immediately notify the management office or the agency through which you are purchasing your home if the unit has flaking, chipping, powdering or peeling paint, water leaks from plumbing, or a defective roof. You should cooperate with that office's effort to repair the unit.

I have received a copy of the Notice entitled "Protect Your Family from Lead in Your Home".

Date
Print Full Name

Signature

Revised: 08/31/02
In addition to an FHA-insured mortgage, you may also qualify for other mortgage products offered by your lender. To ensure that you are aware of available financing options, your lender has prepared a comparison of the typical costs of alternative conventional mortgage product(s), using representative loan amounts and costs. The 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 you to identify the key differences between these mortgage products. 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 lender.

<table>
<thead>
<tr>
<th></th>
<th>FHA Financing 203(b) Fixed Rate</th>
<th>Conventional Financing 95% with Mortgage Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sales Price</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>2. Mortgage Amount</td>
<td>$96,500 - $98,188 w/ Upfront Mortgage Insurance Premium (UFMIP)</td>
<td>$95,000</td>
</tr>
<tr>
<td>3. Closing Costs</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>4. Down Payment Needed</td>
<td>$3,500</td>
<td>$5,000</td>
</tr>
<tr>
<td>5. Interest Rate and Term of Loan in Years</td>
<td>5.00% / 30 Year Loan</td>
<td>5.00% / 30 Year Loan</td>
</tr>
<tr>
<td>6. Monthly Payment (principal and interest only)</td>
<td>$527.09</td>
<td>$509.98</td>
</tr>
<tr>
<td>7. Loan-to-Value (LTV)</td>
<td>96.5%</td>
<td>95%</td>
</tr>
<tr>
<td>8. Monthly Mortgage Insurance Premium (MIP)</td>
<td>$67.90</td>
<td>$49.08</td>
</tr>
<tr>
<td>9. Maximum Number of Years of Monthly MIP Payments</td>
<td>30 years</td>
<td>Approximately 9.9 Years</td>
</tr>
<tr>
<td>10. UFMIP</td>
<td>$1,688.00 (typically included in mortgage amount, line 2)</td>
<td></td>
</tr>
</tbody>
</table>

1. The monthly MIP is 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.

2. Based on an UFMIP rate of 1.75%, the total mortgage amount is $98,188.

3. Streamline refinances of FHA loans endorsed/insured by FHA prior to June 1, 2009 are subject to a reduced UFMIP of .01% and a reduced annual MIP of .55% ($44.22 monthly for a loan amount of $96,500).

FHA Mortgage Insurance Premium Information

In addition to an UFMIP, you may also be charged a monthly MIP. You will pay the monthly premium for either:

- 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 a LTV greater than 90 percent; or

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DATE

DATE
Important Notice to Homebuyers

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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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.

e. 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.

f. Your agreement with the mortgagee will determine the degree, if any, that the interest rate and discount points may rise before closing.

g. 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.

d. Don't Commit Loan Fraud

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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.

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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 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 pay interest through the date the mortgage is paid in full.

**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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**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.

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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.

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.

**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: X

Signature & Date: X

Signature & Date: X

Signature & Date: X

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Previous editions are obsolete
Direct Endorsement Approval for a HUD/FHA-Insured Mortgage

U.S. Department of Housing and Urban Development

1. Borrower's Name & Present Address (Include zip code)  
2. Property Address  
3. Agency Case No. (Include any suffix)

☐ Approved: 
Date Mortgage Approved  
Date Approval Expires

☐ Modified & approved as follows:
Lease Amount (Include UP/MIP) $  
Interest Rate %  
Proposed Maturity Yrs. Mon.  
Monthly Payment $  
Amount of Up Front Premium $  
Amount of Monthly Premium $  
Term of Monthly Premium Mos.

☐ Owner Occupancy NOT required
☐ All conditions of Approval have been satisfied

This mortgage was rated as an "accept" or "approve" by FHA's TOTAL Mortgage Scorecard. As such, the undersigned representative of the mortgagee certifies that the mortgagee reviewed the TOTAL Mortgage Scorecard findings and that this mortgage meets the Final Underwriting Decision (TOTAL) requirements for approval. The undersigned representative of the mortgagee also certifies that all information entered into TOTAL Mortgage Scorecard is complete and accurately represents information obtained by the mortgagee, that the information was obtained by the mortgagee, pursuant to FHA requirements, and that there was no defect in connection with the approval of this mortgage such that the result reached in TOTAL should not have been relied upon and the mortgage should not have been approved in accordance with FHA requirements.

Mortgagee Representative:
Signature: ________________________________  
Printed Name/Title: __________________________

And if applicable:

This mortgage was rated as an "accept" or "approve" by FHA's TOTAL Mortgage Scorecard and the undersigned Direct Endorsement underwriter certifies that I have personally reviewed and underwritten the appraisal according to standard FHA requirements.

OR

This mortgage was rated as a "refer" by FHA's TOTAL Mortgage Scorecard, or was manually underwritten by a Direct Endorsement underwriter. As such, the undersigned Direct Endorsement Underwriter certifies that I have personally reviewed and underwritten the appraisal report (if applicable), credit application, and all associated documents used in underwriting this mortgage. I further certify that:
- I have approved this loan and my Final Underwriting Decision was made having exercised the required level of Care and Due Diligence and in performing my underwriting review;
- I have performed all Specific Underwriter Responsibilities for Underwriters and my underwriting of the borrower's Credit and Debt, Income, Qualifying Ratios and Compensating Factors, if any, and the borrower's DTI with Compensating Factors, if any, are within the parameters established by FHA and the borrower has assets to satisfy any required down payment and closing costs of this mortgage; and
- I have verified the Mortgage Insurance Premium and Mortgage Amount are accurate and this loan is in an amount that is permitted by FHA for this loan type, property type, and geographic area.
- There was no defect in connection with my approval of this mortgage such that my Final Underwriting Decision should have changed and the mortgage should not have been approved in accordance with FHA requirements.

Direct Endorsement Underwriter Signature ________________________________  
DE CHUMS ID Number __________________________

The Mortgagee, its owners, officers, employees 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 Certification:
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: this item does not apply if owner-occupancy is not required by FHA);
(c.) All charges and fees collected from me as shown in the settlement statement have been paid by my own funds, gift funds, or acceptable Down Payment Assistance program funds, and no other charges have been or will be paid by me in respect to this transaction.

Borrower(s) Signature(s) & Date

Mortgagee's Certification:
The Mortgagee by and through the undersigned certifies that to the best of its knowledge:

(a) The loan terms, loan type, property address, Borrower information including names, social security number, credit scores, marital status, employment status, and Borrower occupancy status, in its application for insurance and in this Certificate are true and correct;
(b) All loan approval conditions appearing in any outstanding commitment issued under the above case number have been fulfilled and this loan closed in a manner consistent with the mortgagee's approval;
(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 and any escrow has been established in accordance with applicable law;
(d) The note and security instruments are in a form acceptable to HUD and 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 note 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; and
(h) The Mortgagee has exercised due diligence in processing this mortgage and in reviewing the file documents listed at HUD Handbook 4000.1, II.A.7.b. and the documents contain no defect that should have changed the processing or documentation and the mortgage should not have been approved in accordance with FHA requirements.

I, the undersigned authorized representative of the mortgagee certify that I have personally reviewed the mortgage documents, closing statements, application for insurance endorsement, and all accompanying documents and request the endorsement of this mortgage for FHA insurance.

Mortgagee

Name and Title of the Mortgagee’s Officer

Signature of the Mortgagee’s Officer Date

Note: If the approval is executed by an agent in the name of the mortgagee, the agent must enter the mortgagee's code number and type.

Code Number (5 digits) Type