

# Application Checklist

Please submit a complete SIGNED and DATED loan application with the following:

- ☞ Original paystubs for the most recent 30 days
- ☞ Original W-2 forms for 98
- ☞ Original bank statements for the last month
- ☞ Copy of your current mortgage statement for all mortgages
- ☞ A check for \$400 made payable to HomeNet Mortgage to be applied toward the appraisal and credit report fees

Other \_\_\_\_\_

---

## If a Refinance, the Following,

- ☞ Copy of the hazard insurance policy for property being refinanced
- ☞ Copy of the most recent survey done on the property being refinanced

Please signed the attached forms:

- Authorization to Release Information
- Impound/Insurance Letter
- Affidavit of Occupancy
- Equal Credit Opportunity Act
- Notice Regarding Appraisal Copy
- Servicing Disclosure

## If Applicable, the Following,

- ☞ Copy of award letters for Social Security or Pension income & paystubs
- ☞ Copy of divorce decree showing obligations or income
- ☞ Evidence of receipt of child support income for 12 months
- ☞ Copy of the hazard insurance policy for any property owned free & clear
- ☞ Copy of last two years 1040's for rental properties & current rental agreements
- ☞ If Self-Employed:
  - \* Copy of last two years federal tax returns with original signatures
  - \* Year-to-date profit and loss statement, signed
  - \* K-1's for all partnerships
- \* Copy of last two years partnership return for general partners

**Thank you for applying with HomeNet Mortgage Inc.**

# Affidavit of Occupancy

The applicant(s) hereby certify and acknowledge that, upon taking title to the subject property at \_\_\_\_\_ 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.

\_\_\_\_ Investment Property - Not owner occupied. Purchase as an investment to be rented.

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

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

## Notice Regarding Copy of Appraisal Report

You have the right to 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 or are willing to pay for the appraisal. If you want a copy of the appraisal report, please submit a written request to the following address:

HomeNet Mortgage, Inc.  
12710 Research Blvd, Suite 117  
Austin, TX 78759

The signature below acknowledges your receipt of this notice. Please keep this notice with your other loan records.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

# Confirmation of Interest Rate and Discount Points

Borrower(s): \_\_\_\_\_

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

Application Date: \_\_\_\_\_ Loan Type: \_\_\_\_\_ Loan Amount: \_\_\_\_\_

## THIS NOT A COMMITMENT TO LEND

The following interest rate and origination and discount points have been established in reference to the above mention property:

- \_\_\_\_\_ 1. The interest rate has been set at \_\_\_\_\_%; the discount points have been set at \_\_\_\_\_%; and loan term is \_\_\_\_\_years, the loan origination is \_\_\_\_\_. This loan must be closed and funded on or before\_\_\_\_\_. If this loan has not closed and funded by this date, regardless of the circumstances, the interest rate and discount points MUST be renegotiated.
  
- \_\_\_\_\_ 2. You have elected to allow the interest rate and discount points to be set by the conditions of the market. We consider these loans to be on a "FLOATING" basis until confirmed and locked by mutual agreement at a later date. It is solely YOUR responsibility to monitor these changes and to inform us of your decision to "lock in" the rate and points when they reach a level with which you are satisfied. Only those rates offered and marketable by HomeNet Mortgage will be considered for "locked-in".

**A change in loan amount, property address or loan program may void this lock and require a renegotiation of this rate lock.**

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

# Equal Credit Opportunity Act

Name: \_\_\_\_\_

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

\_\_\_\_\_

Loan Number: \_\_\_\_\_

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 applicants 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 Lender is the Federal Trade Commission, 55 East Monroe Street, Suite 1437, Chicago, Illinois 60803.

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.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

## Impound/Escrow Account Request

The undersigned hereby requests to have impound/escrow accounts established for the payment of taxes or insurance relating to the property. (LTV 80% or above require impounds)

Taxes  YES  NO

Insurance  YES  NO

### Property Insurance

A hazard insurance policy and a paid receipt for the first year premium are required for closing. All policies of insurance must be written through stock or mutual insurance companies having a rating of B+ or better as listed by the most current Alfred K. Best Insurance Guide. The lender will require the insurance information at least 3 days prior to closing.

### Flood Insurance

I/We agree to purchase flood insurance if it is determined that the property offered as security for this loan is found to be located in an area designated by the Federal Emergency Management Agency (FEMA) as special flood area.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

# Mortgage Insurance Disclosure

Private Mortgage Insurance (“Private mortgage insurance” or “PMI”) is generally required when the loan-to-value (the loan amount divided by the original purchase price or the original appraised value, whichever is less) exceeds 80%. However, under certain circumstances, PMI may be required at lower loan-to-values on your mortgage, or if your loan is under a special loan program which requires PMI at a specific loan-to-value ratio.

## Mortgage Insurance Required for the Loan for Which You Have Applied

If borrower-paid PMI is required as a condition of your loan, based on the loan-to-value ratio of your loan and any particular investor’s or program requirements, you should know the following facts about PMI and the conditions under which it may be canceled.

## The Purpose of Mortgage Insurance

The purpose of PMI is to enable the Lender to make loans to borrowers who have a minimal down payment by providing insurance protection to the mortgage lender against a loss which may be incurred in the event of a default by the borrower under the mortgage loan.

## Cost of Mortgage Insurance

If PMI is required as a condition of making the mortgage loan for which you have applied, then you will be responsible for payment of the entire cost of mortgage insurance. The initial and monthly cost of PMI will be described on Good Faith Estimate of Settlement Charges which we shall send or deliver to you within three(3) business days of your application.

## Duration of Mortgage Insurance

Unless state law provides otherwise, we or the note holder will require the PMI remain in effect and that you continue to pay PMI premiums until the note holder approves its discontinuation. Any questions regarding the continued payment of PMI should be directed to the lender to whom you are making your payments.

You may be eligible to request that under appropriate circumstances PMI be canceled. The conditions under which the investor of your loan may agree that PMI is to be canceled may vary depending on the investor or, in some cases, will be governed by applicable state law. Typically, however, PMI may be discontinued after one (1) or, in the case of some investors, two (2) years if your loan-to-value has been reduced to principal repayment to 80% or less. Your loan-to-value customarily refers to the percentage amount that results from dividing your loan balance remaining at the time PMI cancellation is requested by the lesser of the original price or the original appraised value. In addition, you may be required to obtain and submit at your expense a new appraisal that indicates that the mortgage loan balance is below 80% of the current value of the property. Generally PMI will not be discontinued if your loan was more than 30 days delinquent in the 12 month period prior to the request for discontinuance. The lender typically will not cancel PMI on its own unless required by applicable law; in most cases, you must request that PMI be canceled and the lender will consider your request in light of the applicable investor requirements. Requests to cancel must be in writing to your Lender and include your loan number.

I/We acknowledge receipt of this disclosure and further acknowledge that I/We have not been given and/or are not relying and will not rely upon any other verbal or written disclosures or representation concerning PMI cancellation.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

# NOTIFICATION TO MORTGAGE LOAN APPLICANT OF THE POTENTIAL ASSIGNMENT, SALE OR TRANSFER OF SERVICING

**BORROWER:** \_\_\_\_\_ **Loan#** \_\_\_\_\_

**PROPERTY ADDRESS:** \_\_\_\_\_

## **NOTICE TO MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR 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. 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 the transfer. The 15 day period is not applicable if notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after 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. 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, and 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.

### **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.

**SECOND PAGE**  
**NOTIFICATION TO MORTGAGE LOAN APPLICANT OF THE**  
**POTENTIAL ASSIGNMENT, SALE OR TRANSFER OF SERVICING**

Loan# \_\_\_\_\_

**Servicing Transfer Estimated by Lender**

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

We are able to service mortgage loans; however, we presently intend to assign, sell or transfer servicing of your mortgage loan. You will be informed about your servicer.

We are able to service mortgage loans; however, we have not decided whether to service your loan. If we service your loan, we may assign, sell or transfer the servicing of your loan some time while the loan is outstanding.

For all the mortgage loans that we make in the 12-month period after your mortgage loan is funded, we estimate that the chances that we will transfer the servicing of those loans is between 75 - 100 percent. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

\* A Business Day is a day, excluding public holidays (State or Federal). Saturday and Sunday.

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%)
2001	75-100%	
2000	75-100%	
1999	75-100%	

\_\_\_\_\_  
HomeNet Mortgage, Inc.,  
(signature not mandatory)

\_\_\_\_\_  
Date

**ACKNOWLEDGEMENT OF MORTGAGE LOAN APPLICANT**

I/We have read this disclosure form and understand its contents, as evidenced by my/our signature(s) below. I/we understand that this acknowledgement is a required part of the mortgage loan application.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date