

Loan Checklist

Thank you for choosing FINET to assist you with your real estate financing. To help you complete the home loan process quickly and smoothly, we have prepared the following checklist. *Please bring this information to your meeting or mail it to our office as soon as possible so that we can expedite the processing of your loan. Thank you.*

For all borrowers—Please provide copies—Include ALL pages

- FEDERAL TAX RETURNS** (1040s) and all schedules for the last two years. If returns have yet to be filed, include a copy of the filed extension forms.
- W-2 FORMS** for the last two years (if applicable).
- PAYCHECK STUBS** for the most recent 30-day period.
- BANK ACCOUNT STATEMENTS:** (3 recent, consecutive months) for all accounts including retirement-related accounts.
- BROKERAGE (STOCK) STATEMENTS:** (3 recent, consecutive months) for all securities held.
- HOMEOWNERS INSURANCE:** Company name, agent's name, phone number, & policy number.
- LANDLORD INFORMATION:** name, address, and phone number(s) for the past 24 months.
- CREDIT REPORT(S):** Basic credit report fees are \$22.00 per report for each single person or each married couple. You may pay by including; a credit card type _____ number _____ expiration date _____, name on card _____, and the billing address, _____, this information may be called in by phone if you like.
- TRUST AGREEMENT:** If property is held in trust.

For Purchases

- REALTOR'S NAME**, company name, and phone number.

If You Own Income Property

- RENTAL AGREEMENTS** for each income property you own.

If Self-employed

- CORPORATE/PARTNERSHIP RETURNS** for the last two years if your ownership interest as a limited partner is 25% or more. Provide these returns, regardless of % ownership, if you are a general partner.
- K-1s** for the last two years for all partnerships.
- PROFIT AND LOSS STATEMENT** for year-to-date income.
- BUSINESS LICENSE**, if required by the city.
- If Previously Married
- DIVORCE PAPERS:** A copy of the complete recorded divorce decree. If recently divorced, a copy of the final interlocutory & stipulation.

Additional Income

SUPPORTING DOCUMENTATION such as Social Security/pension; income awards letters; alimony/child support call your agent for advice on the various ways this can be documented.

- 1. _____
- 2. _____



The Paper Chase (or, Why Do They Need All This Stuff?)

Every year it seems as if the banks want more and more documentation before they'll loan you money. For example, it is not enough to show that you have enough money to purchase a home. You now have to provide a "paper trail" to prove to the bank that the money you disclosed is the same money you will use for your down payment. You will also need to show that the money you disclosed is actually yours and not borrowed.

What difference does it make? Cash is cash, right?

Alas, but from a bank's perspective, not all money is created equal.

When the bank agrees to give you a loan, it does so because it believes you can comfortably make the payments. However, if you plan to borrow more money for the down payment, will you be able to handle those payments too?

Many of our clients have stocks, mutual funds, bonds, IRAs, 401(K)s, etc. At times, they need to transfer money from these accounts into a checking account so that they can cut a single check to the escrow company at the close of escrow.

Whether these funds come from one or several accounts, a paper trail must be established. All deposits, withdrawals, and wire transfers need proper documentation. All "FROM ACCOUNT" funds need to have a corresponding "TO ACCOUNT" dollar value. We will need copies of checks, deposit slips, wire receipts, withdrawal receipts, and bank statements to supply to the lender.

If you are getting funds from a source that is technically yours but not yet in your possession (e.g., gift funds, bonus checks, commission checks, insurance claims, divorce settlement, etc.) and you plan to use them for the down payment, be prepared to document the paper trail.

You can fax these documents to the processing department at (408) 872-8101, or your loan agent can arrange to get them from you. Please feel free to call your processor or loan agent at (408) 872-8100 if you have any questions.



12820 Saratoga-Sunnyvale Road Ste. #1
Saratoga, California 95070
Phone: (408) 872-8100
Fax: (408) 872-8101

Notice to the Home Loan Applicant

In connection with your application for a home loan, Finet Mortgage, (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 scores.

The credit score is a computer-generated summary calculated at the time of the request and based on 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 decision on a loan application.

By signing below, applicants acknowledge receipt of the above Credit Score Disclosure. This day of _____, 20____

Signature: _____ Date: _____

Signature: _____ Date: _____



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Equifax Credit Information Services

PO Box 740241
Atlanta, GA 39374
1-800-685-1111

Experian

PO Box 2002
Allen, TX 75013
1-800-397-3742

Trans Union

PO Box 1000
Chester, PA 19022
1-800-888-4213

Purpose of Refinance

Date: _____

Applicant(s): _____

Property: _____

To whom it may concern:

The purpose of our request to refinance our property is as follows:

Signature Date Signature Date

Signature Date Signature Date



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Receipt of Adjustable Rate Mortgage (ARM) Disclosures

I/We acknowledge receipt of the following ARM disclosures:

_____ **Consumer Handbook on Adjustable Rate Mortgages; and**

Signature Date

Signature Date

Signature Date

Signature Date



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Borrower's Certification

The undersigned certify the following:

I/We have applied for a mortgage loan from FINET MORTGAGE. In applying for this loan, I/we completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We have made no misrepresentations in the loan application or other documents, nor did I/we omit any pertinent information.

If this is a streamline program, I/we understand and agree that FINET MORTGAGE reserves the right to change the mortgage loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or financial institution.

Authorization to Release Information

To whom it may concern:

I/We have applied for a mortgage loan from FINET MORTGAGE. As a part of the application process, FINET MORTGAGE may verify information contained in my/our loan application and in other documents required in connection with the loan. This may be done before the loan is closed or as part of our quality control program.

I/We authorize you to provide FINET MORTGAGE and any investor to whom FINET MORTGAGE may sell my/our mortgage, any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income, bank, money market, and similar account balances, credit history, and copies of income tax returns.

FINET MORTGAGE or any investor that purchases the mortgage may address this authorization to any party named in the loan application.

A copy of this authorization may be accepted as an original.

Your prompt reply to FINET MORTGAGE or the investor that purchased the mortgage is appreciated.



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Signature

Signature

Social Security Number

Social Security Number

Mortgage Broker Fee Disclosure

You have applied to a mortgage broker for a residential mortgage loan. The mortgage broker will submit your application for a residential mortgage loan to a participating lender with which it from time to time contracts upon such terms and conditions as you may request or a lender may require. The lenders have asked that this form be furnished to you to clarify the role of mortgage brokers. This form supplements other disclosures or agreements required by law that you should receive from the mortgage broker concerning your application.

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

- The mortgage broker has separate independent contractor agreements with various lenders.
- While the mortgage broker seeks to assist you in meeting your financial needs, it does 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: THE BROKER'S COMPENSATION. The lenders whose loan products are distributed by the mortgage broker generally provide their loan products to the mortgage broker at a wholesale rate.

- The retail price a mortgage broker offers you – your interest rate, total points and fees – will include the broker's compensation.
- In some cases, the mortgage broker may be paid all of its compensation by either you or the lender
- Alternatively, the mortgage broker may be paid a portion of its 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 wish to have some or all of our fees paid directly by the lender, which will result in a higher interest rate and higher monthly loan payments than you would otherwise be required to pay.
- The mortgage broker also may be paid by the lender based on (i) the value of the Mortgage Loan or related servicing rights in the market place (ii) other services, goods or facilities performed or provided by the mortgage broker to the lender.

You may work with the mortgage broker to select the method in which it receives its compensation depending on your financial needs, subject to the lender's loans program requirements and credit underwriting guidelines.

The amount of fees and charges that you pay in connection with your loan will be estimated on your Good Faith Estimate. The final amounts will be disclosed on your HUD-1 or HUD-1A Settlement Statement.

By signing below, applicant(s) acknowledge that you have read and understand this document. By your signature, you also acknowledge that you have received a copy of this document.



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| | | |
|---------------------|--------------|--------------|
| _____ | | |
| Date | | |
| _____ | _____ | _____ |
| BROKER/LOAN OFFICER | APPLICANT | APPLICANT |
| _____ | _____ | _____ |
| Printed Name | Printed Name | Printed Name |
| _____ | _____ | _____ |
| Signature | Signature | Signature |

Acknowledgment of Fees

I/We acknowledge that we are responsible for payment of credit report fees, appraisal fees, and courier/delivery fees and other actual costs that are incurred in the processing of this loan with FINET Mortgage.

If a rate lock is desired, and a fee is incurred, then the borrower agrees to pay all fees for said rate lock to FINET Mortgage.

If a loan is approved and canceled and FINET Mortgage incurs a cancellation fee from the lender, the borrower agrees to pay the said fee. All fees collected and paid out are nonrefundable whether or not this transaction is consummated.

Signature

Signature

Date

Date

Occupancy Statement

By signing this form, we acknowledge that the intent of this loan application is to obtain financing that is, or will be, secured by a dwelling that we will use as our principal residence. If we are not already doing so, we will occupy this residence within 30 days after the close of escrow.

We also recognize that if we do not inhabit the residence as described above, we may be in default. If that occurs, the lender may have the right to recall your loan and to demand the immediate payment of the full balance due and other expenses incurred in this respect.

Signature

Signature

Date

Date



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Equal Credit Opportunity Act

Property Address _____

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this company is the Comptroller of the Currency Customer Assistance Group, 1301 McKinney Street, Suite 3450 Houston, Texas 77010-9050.

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.

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.

Signature Date

Signature Date

Signature Date

Signature Date



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The Housing Financial Discrimination Act of 1977

Fair Lending Notice

Date: _____

Property Address: _____

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

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

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

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

If you have any questions about your rights, or wish to file a complaint, contact the management of this financial institution.

Signature

Date

Signature

Date



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Hazard Insurance Requirement and Authorization

Loan No: _____ Date: _____

Your deed of trust requires that you provide us with a fire insurance policy that meets our standards. To assist you in providing acceptable fire insurance coverage, the following are the minimum requirements for a fire insurance policy:

1. Insurance Policy: The association must hold an original policy or evidence of insurance on first trust deeds and a copy on second trust deeds. Binders are not acceptable. For condominiums, the association will require a copy of the master insurance policy and an original certificate for each unit prior to funding. The certificate must have an original signature, loan number, name of condo project, all endorsements listed, and comply with items 2, 3, and 4 below. Insurance binders are required on policies with California Fair Plan.

2. Company Rating: The insurer must be licensed to do business in California and be currently rated B/III or better in the Best's Insurance Guide.

3. Name and Address: The insured's names must be the same as the association's approved borrower of record, and the property address must correspond with the property described in the deed of trust.

4. Amount of Coverage: The policy must be written with coverage equal to: FIRST TRUST DEED—The amount of the loan balance or 100% guaranteed replacement cost; SECOND TRUST DEED—The amount of the 1st and 2nd trust deeds' balance.

5. Flood Insurance will will not be required: Flood insurance must be maintained in full effect for the term of the loan or until the flood hazard area is rezoned and eliminated. On flood policies, the amount must be the maximum available under the National Flood Insurance Program or equal to the loan balance, whichever is less. A copy of the flood insurance application accompanied by a paid receipt of the first year's premium must be furnished to the association prior to funding.

6. Type of Coverage: At a minimum, the mortgaged premises must be protected against loss or damage from fire and other perils covered within the scope of standard extended coverage. Special form is preferable.

7. Loss Payable Endorsement (438 BFU): This endorsement must be shown on the face of the policy under the endorsement section, and it must be in favor of:
_____.

8. Deductibles: Deductibles may not exceed the lower of \$1,000 (\$10,000 for condos) or 1% of the applicable amount of coverage.

9. Policy Effective Date and Term: The effective date of the policy must be the same as, or prior to, the date of funding. Policy term must be for at least one year (six months for refinances).

Signature: _____ Date: _____

Signature: _____ Date: _____



Important Information about Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens a mortgage loan account. What this means to you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

| | | | |
|----------|-------|----------|-------|
| _____ | _____ | _____ | _____ |
| Borrower | Date | Borrower | Date |
| _____ | _____ | _____ | _____ |
| Borrower | Date | Borrower | Date |

USA Patriot Act

The information being requested and observed is for compliance with the requirements of Section 326 of the USA Patriot Act implementing customer identification and verification requirements. The information in no way will be used in making the credit decision on your completed application.

Valid identification must be from one of the following sources:

Acceptable Primary Identification - Generally, acceptable primary identification will consist of un-expired government issued identification with a photograph listed below.

- Valid Permanent Drivers License
- Valid U.S. Passport
- Valid U.S. Military Identification Card
- Valid Resident Alien Card

Acceptable Alternative Identification - TWO pieces must be presented.

- Valid state identification card **OR**
- Valid Out-of-State Driver's License

Along with ONE of the following: Birth Certificate, Current Car Registration, Current Pay Stub, or utility Bill with Name and Address matching I.D.

Acceptable Identification for NON-U.S. Persons - TWO pieces must be presented.

- Valid Permanent Resident Card
- Valid Resident Alien Card (not expired)
- Valid U.S. Citizen Identification Card
- Valid Employment Authorization Card
- Valid Temporary Resident Card (not expired)
- Valid Nonresident Alien boarder Crossing Care
- Valid Non-U.S. Passport (not expired)
- Valid Nonimmigrant Visa and Border Crossing Card

Along with ONE of the following: Current Car Registration, Current Pay Stub, or Utility Bill with Name and Address matching I.D.