

MORTGAGE LOAN DISCLOSURE STATEMENT (RE882)
INFORMATIONAL SHEET

WHEN TO USE THIS FORM

TRADITIONAL LOAN PRODUCTS – This form may be used when the loan product being offered to the consumer ***DOES NOT*** allow the borrower to defer repayment of principal or interest. Each payment includes the full amount of interest and principal due for that installment. ***THIS FORM CANNOT BE USED FOR LOAN PRODUCTS THAT ALLOW THE BORROWER TO DEFER REPAYMENT OF INTEREST OR PRINCIPAL AND ARE SECURED BY A 1 – 4 UNIT RESIDENTIAL PROPERTY. FOR THOSE LOANS THE MORTGAGE LOAN DISCLOSURE STATEMENT/GOOD FAITH ESTIMATE – NONTRADITIONAL MORTGAGE PRODUCT (ONE TO FOUR UNIT RESIDENTIAL UNITS) - RE885 MUST BE USED. REFER TO THE DEFINITION OF A NONTRADITIONAL MORTGAGE PRODUCT IN COMMISSIONER’S REGULATION 2842 AVAILABLE ON THE DRE WEB SITE AT WWW.DRE.CA.GOV.***

SECURED BY REAL PROPERTY – This form may be used when the loan is secured by real property (raw or unimproved land or parcels, commercial, multi-family, 1 to 4 unit residential, or any other interest in real property).

TIPS ON COMPLETING THIS FORM

Section I (B) (4) – Additional Compensation – This section is completed to disclose any compensation received by the broker from a lender in the form of a yield/spread premium, service release premium or any other rebate or compensation.

Section II (A) – PROPOSED LOAN INFORMATION – The form contains four (4) boxes for the purpose of providing loan terms and information to the consumer. Depending on the loan product being offered to the consumer, select the appropriate box and complete the information specified in that box. The Real Estate Law requires the disclosure of all material terms of the loan. In situations where the proposed loan terms cannot be accommodated in one of the four (4) boxes, an addendum, signed and dated by the borrower(s) and the broker (or broker’s representative), should be attached to the form. The addendum must include all material information on the proposed loan. A real estate broker who wishes to use a form other than the approved RE882 must obtain the prior written approval of the Department.

IF THE LOAN PRODUCT IS A NONTRADITIONAL MORTGAGE LOAN PRODUCT YOU ARE USING THE WRONG FORM. THE RE885 MUST BE USED.

Other than the non-applicable boxes in Section II, do not leave any lines or spaces blank.

After completion, the form must be signed by the broker or broker’s representative and provided to the borrower within THREE (3) DAYS OF RECEIVING THE BORROWER’S COMPLETED WRITTEN LOAN APPLICATION.

A COPY OF THE FORM SIGNED BY THE BORROWER MUST BE RETAINED BY THE BROKER FOR A PERIOD OF THREE (3) YEARS.

MORTGAGE LOAN DISCLOSURE STATEMENT (BORROWER)

RE 882 (Rev. 8/08)

Name of Broker	Business Address
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I. SUMMARY OF LOAN TERMS

- A. PRINCIPAL AMOUNT \$ _____
- B. ESTIMATED DEDUCTIONS FROM PRINCIPAL AMOUNT
 - 1. Costs and Expenses (See Paragraph III-A) \$ _____
 - 2. Broker Commission/Origination Fee (See Paragraph III-B) \$ _____
 - 3. Lender Origination Fee/Discounts (See Paragraph III-B) \$ _____
 - 4. Additional compensation will/may be received from lender not deducted from loan proceeds. YES \$_____ (if known) NO
 - 5. Amount to be Paid on Authorization of Borrower (See Paragraph III-C) \$ _____
- C. ESTIMATED CASH PAYABLE TO BORROWER (A LESS B) \$ _____

II. GENERAL INFORMATION ABOUT LOAN

- A. PROPOSED LOAN INFORMATION
1. Proposed loan term Years Months

<input type="checkbox"/> FIXED RATE LOAN Fixed rate loan _____% payable at \$_____ month	<input type="checkbox"/> ADJUSTABLE RATE LOAN (EXAMPLE 6-MONTH ARM; 1-YEAR ARM) Proposed interest rate: _____% Fully indexed rate _____% Proposed monthly payment \$ _____ Maximum interest rate _____% Interest rate can increase _____% each _____ months Maximum loan payment can be \$ _____ after _____ months
<input type="checkbox"/> INITIAL FIXED RATE LOAN (EXAMPLE 2/28; 3/1; 5/1) Proposed initial fixed interest rate: _____% Initial fixed interest rate in effect for _____ months Proposed initial monthly payment \$ _____ Adjustable interest rate of _____% will begin after fixed rate period ends Monthly payment can increase to \$ _____ after fixed rate period ends Fully indexed rate _____% Maximum interest rate _____% Interest rate can increase _____% each _____ months Maximum loan payment can be \$ _____ after _____ months	<input type="checkbox"/> INITIAL ADJUSTABLE RATE LOAN (EXAMPLE LOW ENTRY RATE ARM) Proposed initial adjustable interest rate _____% Initial interest rate in effect for _____ months Proposed monthly payment \$ _____ Fully indexed rate _____% Maximum interest rate _____% Interest rate can increase _____% each _____ months Monthly payment can increase to \$ _____ after initial adjustable rate period ends Maximum loan payment can be \$ _____ after _____ months

2. This loan is based on limited or no documentation of your income and/or assets and may have a higher interest rate, or more points or fees than other products requiring documentation: No Yes.
3. The loan is subject to a balloon payment: No Yes. If Yes, the following paragraph applies and a final balloon payment of \$ _____ will be due on ___/___/___ [estimated date (month/day/year)].

NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS, FEES AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.

B. This loan will be evidenced by a promissory note and secured by a deed of trust on property identified as (street address or legal description):

C. 1. Liens presently against this property (do not include loan being applied for):

<i>Nature of Lien</i>	<i>Priority</i>	<i>Lienholder's Name</i>	<i>Amount Owing</i>

2. Liens that will remain against this property after the loan being applied for is made or arranged (include loan being applied for):

<i>Nature of Lien</i>	<i>Priority</i>	<i>Lienholder's Name</i>	<i>Amount Owing</i>

NOTICE TO BORROWER: Be sure that you state the amount of all liens as accurately as possible. If you contract with the broker to arrange this loan, but it cannot be arranged because you did not state these liens correctly, you may be liable to pay commissions, fees and expenses even though you do not obtain the loan.

D. Prepayments: The proposed loan has the following prepayment provisions:

- No prepayment penalty (you will not be charged a penalty to pay off or refinance the loan before maturity)
- You will have to pay a prepayment penalty if the loan is paid off or refinanced in the first _____ years. The prepayment penalty could be as much as \$ _____. Any prepayment of principal in excess of 20% of the

- original loan balance or
- unpaid balance

for the first _____ years will include a penalty not to exceed _____ months interest at the note interest rate but not more than the interest you would be charged if the loan were paid to maturity.

Other – you will have to pay a prepayment penalty if the loan is paid off or refinanced in the first _____ years as follows:

E. Taxes and Insurance:

There will be an impound (escrow) account which will collect approximately \$_____ a month in addition to your principal and interest payments for the payment of county property taxes** hazard insurance mortgage insurance flood insurance other_____.

If there is no impound (escrow) account or if your escrow (impound) account does not include one or more of the payments described above, you will have to plan for the payment of county property taxes** hazard insurance mortgage insurance flood insurance other_____ of approximately \$_____ per year.

**** In a purchase transaction, county property taxes are calculated based on the sales price of the property and may require the payment of an additional (supplemental) tax bill from the county tax authority by your lender (if escrowed) or you (if not escrowed)**

F. Late Charges: YES, see loan documents NO

G. The purchase of credit life and/or credit disability insurance by a borrower is not required as a condition of making this loan.

III. DEDUCTIONS FROM LOAN PROCEEDS

A. Estimated Maximum Costs and Expenses of Arranging the Loan to be Paid Out of Loan Principal

	PAYABLE TO:	<u>Broker</u>	<u>Others</u>
1. Appraisal fee		_____	_____
2. Escrow fee		_____	_____
3. Title insurance policy		_____	_____
4. Notary fees		_____	_____
5. Recording fees		_____	_____
6. Credit investigation fees		_____	_____
7. Other costs and expenses:		_____	_____
_____		_____	_____
_____		_____	_____
Total Costs and Expenses		\$ _____	

B. Compensation

- 1. Broker Commission/Origination Fee \$ _____
- 2. Lender Origination Fee/Discounts \$ _____

C. Estimated Payment to be Made Out of Loan Principal on Authorization of Borrower

	PAYABLE TO:	<u>Broker</u>	<u>Others</u>
1. Fire or other hazard insurance premiums		_____	_____
2. Credit life or disability insurance premiums (See Paragraph II-G)		_____	_____
3. Beneficiary statement fees		_____	_____
4. Reconveyance and similar fees		_____	_____
5. Discharge of existing liens against property		_____	_____
_____		_____	_____
_____		_____	_____
6. Other:		_____	_____
_____		_____	_____
Total to be Paid on Authorization of Borrower		\$ _____	

Article 7 Compliance: If this loan is secured by a first deed of trust on dwellings in a principal amount of less than \$30,000 or secured by a junior lien on dwellings in a principal amount of less than \$20,000, the undersigned licensee certifies that the loan will be made in compliance with Article 7 of Chapter 3 of the Real Estate Law.

➤ This loan may/will/will not (*delete two*) be made wholly or in part from broker-controlled funds as defined in Section 10241(j) of the Business and Professions Code.

IV. NOTICES TO BORROWER:

- 1. This disclosure statement may be used if the broker is acting as an agent in arranging the loan by a third person or if the loan will be made with funds owned or controlled by the broker. If the broker indicates in the Article 7 compliance immediately above, that the loan “may” be made out of broker-controlled funds, the broker must notify the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds.
- 2. THIS IS NOT A LOAN COMMITMENT. Do not sign this statement until you have read and understood all of the information in it. All parts of this form must be completed before you sign. Borrower hereby acknowledges the receipt of a copy of this statement.

Name of Broker	License #	Broker’s Representative	License #
Broker’s Address			
Signature of Broker	Date	OR	Signature of Representative
Borrower	Date	Borrower	Date

Department of Real Estate license information telephone number: (916) 227-0931, or check license status at www.dre.ca.gov