

FIRST CHOICE MORTGAGE

13900 E. Harvard Ave #201 Aurora, CO 80014
Office: 303-745-9500 Fax: 303-945-9515

CUSTOMER CHECKLIST

Customer(s) Names: _____ (Date) _____

Property Address: _____

Loan Officers Name: _____ Phone: _____

EST. Closing Date: _____ Closing Time: _____ Lock Exp. _____

Please sign and complete all documents in this package

- Set aside at least \$500 for Appraisal & Credit Report _____
- Provide proof of any recent payoffs not showing on credit report(s) _____
- A copy of (2) months pay stubs for each borrower _____
- A copy previous w-2's or 1099's (2) years for each borrower _____
- A copy of your 1st & 2nd Mortgage payment coupon or billing statement _____
- A copy of current Mortgage Note or Deed of Trust _____
- A copy of (2) months Bank statements (checking or savings) _____
- A copy of current homeowners insurance policy _____
- A clear copy of your driver(s) license and SSA card(s) (FHA Only) _____
- Copy of Bankruptcy discharge papers all schedules (If Applicable) _____
 1. _____
 2. _____
 3. _____
 4. _____
 5. _____

Important please read: While waiting for your loan to close, please adhere to the following guidelines. This will prevent delays or problems in the closing process. If any of these conditions change please notify your loan officer at once. (Any and all of the items below may effect your loan credit scoring)

1. **DO NOT** quit or change your current employment status.
2. **DO NOT** sale property, or change your place of residence.
3. **DO NOT** have your credit report accessed for any reason.
4. **DO NOT** purchase anything on an installment or revolving basis.
5. **DO NOT** transfer credit card balances, or open new credit accounts.
6. **DO NOT** co-sign for anyone on anything.

DO visit www.fcmusa.com to get answers to your mortgage questions

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Appraisal Authorization

I/We have applied for a residential loan on our property located at:

In connection with this loan application I/We hereby authorize First Choice Mortgage to order an appraisal of our property.

I/We understand that you do not require an up-front payment for this appraisal.

If I/We elect not to pay for the appraisal either at the time of the application or upon the appraiser's inspection of the property, the fees will be included in our closing statement.

In the event this loan does not close for any reason, or the closing is delayed for more than 30 days from the date of the inspection by My/Our actions or decisions, and the appraisal has been completed, I/We agree to forward full payment for the appraisal within 15 calendar days of the presentation of the invoice.

Applicant

Date

Applicant

Date

Applicant

Date

Applicant

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Acknowledgement

The purpose of this form is to explain some of the new realities of the mortgage business since the advent of computerized underwriting. As a result of the automation of the origination process many aspects of the transaction are now performed faster, easier and more efficiently than ever before. As a result, our operations have had to be updated to protect not only you, but ourselves as well. By agreeing to the following you will insure a smooth and successful transaction.

Initial Initial

_____ **Appraisal & Credit Report:** I/We agree to be responsible for the legitimate fees associated with the appraisal and credit report needed for this transaction. If this loan does not close, for any reason, I/we will remit to First Choice Mortgage full payment within 10 days of presentation of an invoice.

_____ **Cancellation:** I/We acknowledge that I/we have the right to cancel this transaction at any time up to and including the rescission period after signing. I/We also acknowledge there may be repercussions. If I/we cancel prior to locking the loan, there is no penalty and no fees will be charged. If I/we cancel AFTER locking the loan, I/we can be charged up to \$250.00 as a cancellation fee. I/we also understand that if this loan cannot be approved and closed there will be no cancellation charges levied at any time, even after the loan is locked.

_____ **Renegotiating the lock:** Under normal circumstances I/we cannot renegotiate the lock once I/we have agreed to the rate and terms. I/we understand that a commitment has been made by all parties to the transaction and that once the loan is locked my/our rate and your fees are frozen. I/we understand that should interest rates fall more than .25% the lender may renegotiate at it's sole discretion but is not required to do so.

_____ **Timeliness:** I/we agree to provide you with all documentation you require in a timely manner. If the rate lock is lost due to my/our delays, I/we will be liable for any normal fee to have the lock extended.

Signature

Date

Signature

Date

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ARM Disclosure and Description of Programs

This disclosure describes the features of the adjustable-rate mortgage (ARM) programs. This disclosure is not a commitment by the lender to make you a loan on any of the terms described in this disclosure. It is intended solely to provide you with a general description of our loan programs. If you eventually obtain a loan from the lender, the loan note, security instrument and related documents ("loan documents") will establish your legal rights and obligations. Information on any other ARM programs we may have is available on request.

How Your Interest Rate and Payments are Determined

Your interest rate will be based on an index plus a margin. Your payment will be based on the interest rate, loan balance, and loan term. The initial rate may be a discount rate or premium rate and may not be based on the index used to make later adjustments. A premium interest rate is one that is greater than the interest rate calculated by adding the index and the margin. A discount interest rate is one that is less than the interest rate calculated by adding the index and the margin. Ask us for the amount of any current interest rate discounts or premiums. After the initial period, your interest rate will equal the current index rate plus the margin rounded to the nearest 1/8 of one percentage point (0.125%), unless an Adjustment Cap or the Lifetime Cap limits the amount of change in the interest rate.

How Your Interest Rate Can Change

Your interest rate can change every twelve months after the first interest rate change date ("First Change Date"). The First Change Date will be 11 months from the first payment date. The amount of your new payments will be due starting on the first monthly payment date after the Change Date until the amount of your monthly payment changes again. **However the First Change Date will not start until after 3 or 5 years for that type of arm loan.**

Adjustment Cap. No interest rate change after the First Change Date will be more than the Subsequent Adjustment Cap. Your First Adjustment Cap will be set at 2 percentage points. Your Subsequent Adjustment Cap will be set at 2 percentage points. There is no limitation on the total amount by which your interest rate can decrease over the life of your loan except that your interest rate can never be lower than the margin, regardless of how low the index may drop. Regardless of the current value of the index plus the margin, your interest rate can never exceed the Lifetime Cap, which will be established when you "lock-in" or price protect with your lender the initial interest rate and discount points applicable to your loan. Your Lifetime Cap will be set at 6 percentage points above your initial rate.

How Your Monthly Payment Can Change

Your monthly payment can **increase** or **decrease** substantially based on the annual changes in the interest rate. The amount of your new payments will be due starting on the first monthly payment date after the Change Date until the amount of your monthly payment changes again.

You will be notified in writing at least 25 days, but not more than 120 days, before the due date of a payment at a new level. This notice will contain information about your interest rates, payment amount, and loan balance.

ACKNOWLEDGMENT OF RECEIPT

I (We) acknowledge receipt of this Arm Disclosure Statement.

Borrower

Date

Borrower

Date

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Borrowers Certification & Compliance Agreement

The undersigned certify the following:

1. I/we have applied for a mortgage from First Choice Mortgage. In applying for the 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, assets and liabilities. I/we certify that all of the information is true and complete. I/we made no misrepresentations in the loan application or other documents, nor did I/we omit any pertinent information.
2. I/we understand and agree First Choice 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 loan application with the employer and/or financial institution.
3. I/we fully understand that it is a federal crime, punishable by fine and/or imprisonment, to knowingly make false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.

Compliance Agreement:

The undersigned, in consideration of the lender disbursing funds for the property located at _____, agree(s), if requested by the lender or someone acting on behalf of said lender, to fully cooperate and adjust for clerical errors on any and all loan documentation deemed necessary or desirable in the reasonable discretion of the lender to sell, convey, seek guaranty or market said loan to any entity, including but not limited to an investor, Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development, Veterans Administration, or any municipal bonding authority, or to insure enforceability of this loan if kept in lender's portfolio.

The undersigned agree(s) to comply with all requests by lender within 30 days from date of mailing of said request by the lender. Borrower(s) agree to assume all cost including by way of illustration and not limitation, actual expense, legal fees and marketing losses for failing to comply with lenders requests within the 30 day time period.

The undersigned borrower(s) do hereby so agree and covenant in order to assure that the loan documentation executed this date will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by lender of its interest in and to said loan documentation.

_____ Borrower	_____ Date
_____ Borrower	_____ Date
_____ Borrower	_____ Date
_____ Borrower	_____ Date

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Credit Report Service & Consulting

This service is designed to do more than just provide you with your credit report. We can help and guide you in repairing your credit and obtaining a new home loan at the best possible rate. The options below give you the opportunity to pick the level of service that best fits your needs. Funds for these services need to be paid up front but may be reimbursed or built into loan at closing. Please make checks payable to _____.

Initial _____ I/We hereby give our consent to First Choice Mortgage, their assigned and any credit reporting bureau designated to obtain any and all information concerning our credit matters, which they may require, in connection with our application for a mortgage loan. This form may be faxed or photocopied and a copy shall be as effective consent as the original.

Initial _____ I/We understand that if I/we dispute negative items and order additional credit reports there may be additional cost involved. Please initial your selection below.

Initial Initial

\$45 – Review of Tri-Merge Credit Report with FICO scores.

\$55 – Review of Tri-Merge Credit Report with FICO scores & Initial Consultation on report items and possible ways to improve your score.

\$95 – Review of Tri-Merge Credit Report with FICO scores & Unlimited Consultation on report items and possible ways to improve your score for one year.

Signature

Date

Signature

Date

We are not financial advisors and do not guarantee that any advise given will result in any positive actions regarding your credit report. We only offer our input based on the knowledge we have acquired while working in the mortgage industry. If you need detailed financial advise we recommend you seek licensed financial consulting.

**Your Complete Mortgage TEAM!! By using our Family of Services you could
SAVE 1,000's without sacrificing Quality!! Visit us on the web at www.fcmtusa.com**

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Disclosure Statement

Notice to mortgage loan applicants: The right to collect your mortgage loan payments may be transferred. Federal law gives you certain 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. #2591 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 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 date of transfer. The new loan servicer must also send you notice within 15 days after the date of the transfer. Also, a notice of prospective transfer may be provided to you at settlement to satisfy these requirements. The law allows a delay (not more than 30 days after a transfer) for servicers to notify you under certain limited circumstances, when your service is changed abruptly. This exception applies only if your service is fired for cause, as in bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by a federal agency.

Notice must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new service, the name, address and toll-free or collect-call telephone number of both the new servicer, and of a person or department for your present servicer to answer your questions about the transfer of the 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 it's 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 account number and the reasons for your request. Not later than 60 business days after receiving your request, your service must make any appropriate corrections to your account and must provide you with a written clarification regarding any dispute. During this 60 day period your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such a 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.

Servicing Transfer Estimates By Original Lender:

The following is the best estimate of what will happen to the servicing of your mortgage loan: We do not service mortgage loans. We intend to assign, sell or transfer the servicing of your loan to another party. You will be notified at settlement regarding the name, address and phone number of the servicer of record.

Borrower

Date

Borrower

Date

Borrower

Date

Borrower

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Loan Application Certifications

The statements submitted herein are made by the undersigned to induce the lender to make a mortgage loan, and the undersigned hereby covenant(s) and represent(s) that the statements contained herein and on the applications are in all respects true, correct and complete. I/we hereby acknowledge that no promise will exist on the part of the Lender or any employee of the Lender, or the appropriate government agency, to make this loan to me until such time as I have received a written commitment. The initial Truth-in Lending disclosure and Good Faith Estimate of Settlement Cost does not constitute a promise to make such a loan. It is further understood that all loan applications are subject to review and approval by the Lender. Modification of rate, rees, term or loan rations may be made by Lender if warranted, with such changes subject to my acceptance.

INSURANCE: The undersigned acknowledge(s) that if Lender hereinafter issues a loan commitment, the undersigned will be required to maintain property insurance in the amount of the loan, on the property, with a loss-payable clause of favor of the Lender and/or assigns. This insurance may be purchased from any duly licensed insurance agent or broker of the undersigned's choice, subject only to Lenders right to refuse or accept any insurer for reasonable cause. An original policy and an invoice is required to be presented to Lender on or before the close date.

CREDIT AUTHORIZATION: The undersigned acknowledge(s) Lender to obtain a consumer report on the undersigned's credit standing, credit capacity, character and general reputation, for the purpose of assisting Lender in determining the undersigned's eligibility for a loan. The undersigned authorizes the Lender to obtain such a consumer report from any consumer reporting agency of it's choice, and to use any information at any time from borrowers' file.

NON-REFUNDABLE FEES: There are no non-refundable fees associated with this loan. Advance payment may be required for the credit report and/or appraisal. If the fees are not paid upforn First Choice Mortgage requires that they be paid at the close of the undersigned's loan or, in the event of a cancellation or declination, that the undersigned agrees to pay for the items within 15 days from said cancellation or declination.

FEDERAL EQUAL-CREDIT OPPORTUNITY ACT: This act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, familial status, handicap, age (provided applicant has the capacity to enter into a binding contract), because all or part of 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 Lender is the Federal Home Loan Bank, Office of Supervision, Federal Home Loan Bank of Topeka, 120 E. Sixth St., Topeka, KS 66601.

RIGHT TO FINANCIAL PRIVACY ACT OF 1978: The Department of Housing and Urban Development has a right of access to financial records held at a financial institution on connection of administration of assistance to you. Financial records involving your transaction will be available to H.U.D. without further notice or authorization but **WILL NOT BE DISCLOSED OR RELEASED** to another government agency or department without your consent, or as required or permitted by law.

STATEMENT OF OCCUPANCY: I/we hereby acknowledge and understand that if I/we are purchasing this property as a primary residence we are executing a statement of occupancy that provides if my/our loan application is approved that we will occupy said property as my/our primary residence within 60 days of the loan closing. This confirms our understanding and agreement that failure to do so shall constitute a default under the terms and conditions of the Note and Deed of Trust executed in connection with this loan and upon the occurrence of such default, the whole sum of principal and interest shall immediately become due and payable at the option of the holder thereof. Lender has advised me that lender may assign said loan and the Lender may not be able to do so or may be required to repurchase the same and may be damaged in certain other respects if I fail to occupy said property at the time and in the manner herein above provided. This will also confirm our agreement that I/we shall indemnify you and hold you harmless from and against any and all loss, damage, liability or expense, including costs of all reasonable attorneys fees to which you may be put or which you may incur by reason of or in connection with my failure to so occupy said property.

NOTICE OF POSSIBLE QUALITY CONTROL AUDIT: In accordance with requirements of Lenders approval to conduct business with the U.S. Department of Housing and Urban Development and certain other government regulated corporations, Lender is required to maintain a quality control program that involves an audit of a percentage of loans closed or purchased. In the event your loan is randomly selected for such audit you will be notified and requested to provide assistance. The purpose of the program is to ensure that Lender is conducting business as required by the various governing regulations as well as an attempt to detect fraud or misrepresentations by any party to a loan transaction.

I fully understand that it is a federal crime punishable by fine and/or imprisonment to knowingly make any false statement concerning any of the above facts under the provisions of Title 87, U.S.C., Section 1014

Applicant Date

Applicant Date

Applicant Date

Applicant Date

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Mortgage Loan Origination Agreement

You, the Applicant(s), agree to enter into this Mortgage Loan Origination Agreement with First Choice Mortgage 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 First Choice Mortgage on Date:

We are licensed as a “Mortgage Broker” under the laws of the State of Colorado.

Section 1. Nature of Relationship. In connection with this mortgage loan we are acting as an independent contractor and not as your agent. We will enter into separate independent contractor relationships 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. However we will do everything in our power to get you the best price or terms we have access to.

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 marketplace 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.

Print Name: _____

Print Name: _____

Signature: _____

Signature: _____

Date: _____

Broker/Authorized Agent Signature: _____

Print Name: _____

Date: _____

Borrower Signature Authorization

Privacy Act Notice: This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq., or 7 USC, 1921 et. seq. (if USDA/FmHA).

Part I - General Information

1. Borrower		2. Name and address of Lender/Broker	
3. Date	4. Loan Number		

Part II - Borrower Authorization

I hereby authorize the Lender/Broker to verify my past and present employment earnings records, bank accounts, stock holdings, and any other asset balances that are needed to process my mortgage loan application. I further authorize the Lender/Broker to order a consumer credit report and verify other credit information, including past and present mortgage and landlord references. It is understood that a copy of this form will also serve as authorization.

The information the Lender/Broker obtains is only to be used in the processing of my application for a mortgage loan.

Borrower

Date