

FIRST CHOICE MORTGAGE

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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

Date