

## AFFILIATED BUSINESS RELATIONSHIP DISCLOSURE

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Borrower Name(s):

Property Address:

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The purpose of this disclosure is to provide you with notice that Empire Equity Group, Inc. and its d/b/a's 1<sup>st</sup> Metropolitan Mortgage, 1<sup>st</sup> Metropolitan Mortgage of NY, Empire 1<sup>st</sup> Metropolitan, or 1<sup>st</sup> Metropolitan Mortgage Co., Inc. ("Company") has a business relationship with title insurance and settlement services provider, Richmond Title Services, LP ("Richmond.") Specifically, an owner of Company owns an interest in Richmond. Because of this relationship, this referral may provide such Company owner, directly or indirectly, compensation, dividends, profits or other financial benefit.

You acknowledge that you have received an estimated charge or range of charges by Company and/or Richmond for the settlement services related to your mortgage loan closing.

**You are NOT required to use Richmond as a condition for the purchase, sale, or refinance of the subject property. THERE ARE FREQUENTLY OTHER TITLE INSURANCE AND SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.**

### ACKNOWLEDGMENT

Your signature below indicates that you have read and understand this Business Relationship Disclosure, which was provided to you at the time of, prior to, or within three business days of making application for a loan. Your signature further acknowledges that Company is referring you to purchase the above described settlement service and that a common owner of shares in Company and Richmond may receive, directly or indirectly, compensation, dividends, profits, or other financial benefit as a result of this referral should you choose to use the services of Richmond.

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Borrower Signature

Date

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Borrower Signature

Date

# LOAN PRICING AGREEMENT

(For use in all states except Connecticut, Florida, Idaho, Massachusetts, New Hampshire, New York, Texas and Vermont)

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## GENERAL INFORMATION

This Loan Pricing Agreement (“Agreement”) will define the rate and terms of the mortgage loan (referred to in this Agreement as the “loan”) for which you have applied with Empire Equity Group, Inc. or its d/b/a’s 1<sup>st</sup> Metropolitan Mortgage, 1<sup>st</sup> Metropolitan Mortgage of NY, Empire 1<sup>st</sup> Metropolitan, or 1<sup>st</sup> Metropolitan Mortgage Co., Inc. (referred to in this Agreement as “Broker”). **There are 3 (three) pages to this Agreement.**

Borrower(s) :

Property to Secure Loan (property):

Type of Loan You Have Selected:

Length of Repayment Period (term):

Loan Amount: \$  Owner Occupied  Non-Owner Occupied  Other \_\_\_\_\_

Purpose:  Purchase  Refinance  Other \_\_\_\_\_

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## LOAN TERM OPTIONS

Broker does not fund loans, but represents LENDERS who do so. The referenced loan product, points, terms and rate has been offered to Broker who is, in turn, authorized to present the loan terms to consumers. **However, until the lender accepts the lock-in for the product, terms and rate you have selected there is no lock-in obligation on the part of Broker. YOU SHOULD BE AWARE THAT UNLESS YOU RECEIVE A CONFIRMATION OF YOUR LOCK-IN FROM THE LENDER NO LOCK-IN EXISTS.** Broker normally receives the confirmation from the LENDER within 24 – 48 hours. **YOU SHOULD INSIST THAT YOU RECEIVE A COPY OF THIS CONFIRMATION FROM THE LENDER TO INSURE THAT YOUR LOAN IS LOCKED-IN BY THAT LENDER.**

Because interest rates fluctuate, we are asking that you select one of the following options, which will may establish the interest rate, discount points and other terms of your loan. The option that you select will be indicated on page 3. One “discount point” equals one percent of the amount of your Loan. Please remember that the discount points provided by this Agreement are not the only fees you will be required to pay in connection with your Loan. You may also be required to pay an “origination fee” which will be a percentage of the amount of your loan. Please refer to the “*Good Faith Estimate of Settlement Charges*” you receive for an estimate of the points and fees you will have to pay. This Agreement is not a commitment to give you a mortgage loan. If your application is approved, the approval will be communicated to you. You must fulfill any approval conditions and comply with all the terms of the loan commitment prior to the closing of your loan.

### OPTION A - LOCK

You have the option to establish the interest rate, discount and other terms of your loan at this time. This is referred to as “Locking Your Interest Rate, Discount Points and Terms.” **IF YOU PROCEED WITH THE FINANCING OF THE PROPERTY AND CHOOSE THIS OPTION, ALL PARTIES AGREE, SUBJECT TO LOAN APPROVAL, TO CLOSE THIS LOAN IN ACCORDANCE WITH THE ELECTION OF THE LOAN TERMS STATED ON PAGE 3, REGARDLESS OF CHANGES IN THE MARKET INTEREST RATE, DISCOUNT POINTS AND OTHER TERMS BETWEEN NOW AND THE LOCK EXPIRATION DATE.** This means that even if the interest rate, discount points or other terms decrease, you will be subject to the terms of this Agreement, including those listed on page 3. **BE SURE THAT YOU RECEIVE THE LENDER’S WRITTEN CONFIRMATION THAT YOUR LOAN WAS LOCKED-IN.**

### OPTION B - FLOAT

You also have the option to establish the interest rate, discount points and other terms of your loan at a later time with the understanding that you accept the risk of fluctuating interest rates. This option is generally referred to as “Floating” or “Market at Close” (MAC). **HOWEVER, IF YOU CHOOSE THIS OPTION, YOU SHOULD CLEARLY UNDERSTAND THAT BETWEEN NOW AND THE TIME YOU LOCK YOUR LOAN, THE INTEREST RATE, DISCOUNT POINTS, AND OTHER TERMS OF YOUR LOAN COULD INCREASE, DECREASE, CHANGE OR REMAIN THE SAME.**

**WE CANNOT ADVISE YOU WHEN CHANGES IN RATES OCCUR.** However, you may contact us during normal business hours to monitor changes in interest rates. We would prefer that you speak only to your Loan Officer. **WHEN YOU CHOOSE TO ESTABLISH THE INTEREST RATE, DISCOUNT POINTS AND OTHER TERMS AT A LATER DATE, YOU MUST ADVISE US OF THAT FACT.** Under this option you may elect to establish the terms of your loan at anytime up to five (5) business days prior to the date of closing. All parties will then be required to sign a Lock-In Confirmation Addendum unless doing so would cause a delay of the closing.

### OPTION C - SUBPRIME FLOAT

Subprime loans typically have the rate established by the lender or investor at the time the loan is accepted and or approved by them. These loans will float until such time as the rate/terms/fees are established. For subprime loans, the subprime float is not an option, it is mandatory and the rate/terms will normally only be good for a specified period established by the LENDER, after which, new terms could be established.

## TERMS OF THIS AGREEMENT

1. With the exception of Empire Equity Group, Inc. for loans in NY, CT, NJ, MD, and FL, Broker does not require any advance fees, nor does Broker hold any advance third-party fees in trust to pay third-party service providers (such as appraisers or credit bureaus.) in any state. You will be required, at the time such services are rendered to pay such third-party fees at the time the service is rendered or at the time of closing. You will be given instructions relative to when the payment of these fees are due and the fees will be reflected both on your *Good Faith Estimate of Settlement Charges* (at the time of application) and your *HUD-1 Settlement Statement* (at the time of closing).
2. Upon your acceptance of this Agreement signed by an Authorized Representative of Broker, you agree to close this loan under the terms set forth in this Agreement and confirmed by the LENDER provided the loan has been approved. **Upon approval of your loan application by a LENDER, this loan will be funded under the terms of this Agreement, provided that all LENDER stipulated approval and closing conditions have been satisfied and provided that the loan is closed and disbursed on or before (the Lock-In Expiration Date).** If the loan is not funded and disbursed on or before the Lock-In Expiration Date, you will then be required to pay the higher of the originally locked interest rate and points or the current interest rate and points on the date you subsequently lock following the Lock-In Expiration Date. If this is a refinance loan, the loan must close AND disburse BEFORE the Lock-in Expiration date. **If, for any reason, the loan does not close and fund by the Lock-In Expiration date, this Agreement becomes null and void and neither Broker or any of its Lenders have no further obligation under the provisions of this Agreement.**
3. When your application is accepted for processing, the accuracy and completeness of the information you have provided is relied upon. By entering into this Agreement, you represent that all information you have given and will give is complete and correct. If any of the information is materially misleading or incorrect, this Agreement shall become null and void upon discovery. This determination is solely at the discretion of Broker.
4. Broker will process, obtain a decision from a LENDER regarding the approval of your application and, if approved, close your loan in a timely manner.
  1. You hereby acknowledge your understanding that there is a reliance on you to provide all requested information in a timely manner. You also hereby acknowledge that there is a reliance on third parties for items such as employment and deposit verifications, credit reports, appraisers, inspections, title commitments, pay-off statements, LENDER underwriting, etc., and that third party delays may cause the actual processing, approval and closing time to exceed the Lock-In Expiration Date. You hereby acknowledge that you will hold Broker harmless for any delay you and/or any third party may cause that results in your loan going past the Lock-In Expiration Date.
  1. There are occasions where a loan application cannot be approved and also meet the terms and conditions of this Agreement. This may be caused by (but not limited to) unacceptable borrower credit scores, derogatory borrower credit, limited borrower cash reserves or cash to close, the property being purchased or refinanced, etc. Under these circumstances, you may be offered different terms which you may or may not accept. Whether or not you accept or decline different terms, this agreement will become null and void. Any fees you have paid to third party vendors such as credit reporting agencies or appraisers will not be refunded.
5. When a transaction involves new construction or a property that requires repairs, no responsibility will be accepted by Broker or its LENDERS for delays caused by a contractor, builder, repairperson, inclement weather or Acts of G-d.
6. If you elect to transfer your loan application file to another lender for any reason except a loan denial, you will be charged a fee equal to not more than one percent (1%) of the loan amount unless prohibited by state law. Broker must receive that fee prior to transferring your application. In order to transfer your loan under any circumstances, Broker must be notified of your desire to transfer in writing. That written notification must contain the name, complete mailing address and telephone number of the company to whom you desire to transfer your loan package. The notice must contain the date and original signatures of all applicants. You acknowledge that if your loan is transferred to another lending entity that your request to transfer, whether specifically stated in your notice or not, authorizes Broker to transfer your entire loan application package including the credit report and all documents in whatever form, and all documents that you tendered to Broker. Your loan package must be transferred directly to the receiving lender and may not pass through your hands or those of any interested party to the transaction, including you, real estate agents, sales representatives or builders.
7. Once this Agreement is signed, it supersedes any and all other proposals, quotes, statements or understandings regarding the loan terms, written or oral. This Agreement cannot be changed, modified, or canceled except by a written modification signed by you and an Authorized Representative of Broker except as otherwise stipulated in this Agreement. This Agreement is not assignable to another borrower and is not valid on any other property.
8. You acknowledge that Broker is not a party to any contract you may have with any seller, builder, land-owner, dealer or other financial institution. If the terms of this Agreement differ from any terms for financing in your contract with the seller, you are responsible for renegotiating that contract if necessary. You also hereby acknowledge that Broker has not, and will not, through any representations, conversations, actions, omissions or the actions of its employees establish a fiduciary, or agency relationship with you as the applicant/borrower.
9. **For FHA Loans Only:** This Agreement contemplates the loan being insured by FHA. The FHA requires that your loan meet all FHA conditions with respect to the property, Loan to Value ratio and your credit. If any of these conditions cannot be met or if FHA insurance is unavailable prior to the closing of your loan, Broker shall not be bound to the terms of this agreement.  
**For VA Loans Only:** This Agreement contemplates Loan Guaranty by VA. The VA requires that your loan meet all VA conditions with respect to the property, Loan to Value ratio and your credit. The loan Guaranty plus the cash down payment must be equal to or greater than twenty-five percent (25%) of the purchase price of the property or the appraised value, whichever is less, and cannot be less than \$5,000. In the event that your loan does not meet these requirements or the VA Home Loan Guaranty Program is unavailable prior to the closing of your loan, Broker shall not be bound by the terms of this Agreement.  
**For All Loans:** This agreement contemplates that your loan can be sold to FNMA, FHLMC, GNMA and certain other lenders or investors. If the authority to conduct business, including, but not limited to, issuing of Commitments, insuring mortgages, approving loans, and reserving funds is terminated for any reason by one or more of the above listed agencies or ANY LENDER applicable to this loan, this Agreement is null and void on the announced date and may be renegotiated at Broker's option.

**BORROWER'S CERTIFICATION**

Please place an X in the appropriate box below to select either Option A or Option B, and initial your choice. Subprime borrowers must select Option C.

**OPTION A - LOCK**

[\_\_\_\_] [\_\_\_\_] I choose to establish the interest rate, discount points and other loan terms that are stated below and understand that I must receive Borrower's Initials written confirmation of this lock-in from the LENDER:

ALL LOANS

Interest Rate % Discount Points \_\_\_\_% Origination Fee \$

LTV % Lock-In Expiration Date Broker Fee \$

ADJUSTABLE LOANS ONLY

Margin % Frequency of Change Period \_\_\_\_\_ Life of Loan Cap % Per Adjustment Cap %

**OPTION B - FLOAT**

[\_\_\_\_] [\_\_\_\_] I choose to float. In other words, I will accept the interest rate; discount points and other terms/fees in existence at the time I set my rate. Borrower's Initials I understand that the interest rate, discount points and other terms stated above in Option A do not apply to this option.

**OPTION C - SUBPRIME LOCK (MANDATORY)**

[\_\_\_\_] [\_\_\_\_] I understand that my loan is a subprime loan and therefore the rate, discount points, terms and fees will be set at some point in the future Borrower's Initials **after** a lender/investor has **approved** the loan. I also understand that this rate, discount points, fees and terms will normally only be honored for a specified period of time. I will be informed of what these terms are at the time of loan approval and understand that I may elect to proceed or not to proceed with this transaction at that time. Finally, I understand that any application fees tendered may not be refundable if I elect not to proceed with the transaction.

When you receive a copy of this Agreement signed by an Authorized Representative of Broker, you have five (5) business days within which to sign this Agreement. However, once you have selected your option, no other option may be selected and you will have five (5) days to return this Agreement to Broker. This Agreement shall only be valid and binding if either Option A, B, or C above have been selected and initialed, your signature, as well as the signature of an Authorized Representative of Broker appear below, this Agreement is dated by all parties and you have received written confirmation from a LENDER. If this Agreement is not returned within five (5) days, this Agreement will become null and void and Broker shall have no further obligation under this agreement whatsoever. During that five (5) day period, Broker will not revoke this Agreement.

If the interest rate or other terms are subject to change before the expiration of any commitment issued by a LENDER, the basis, index, or method must be established and disclosed with direct reference to the movement of an interest rate, index or of a national or regional index that is available to and verifiable by the borrower and beyond the control of the LENDER; or **the interest rate will be the established by the LENDER, at its discretion, at a prevailing rate days before closing.**

This is an enforceable Agreement. Any attempts to breach this Agreement, after it is fully executed, by you or any other person, company, corporation or entity (except by Broker), or attempt to influence you to breach this agreement by any other person or business entity will result in Broker seeking all remedies available, including litigation.

By signing below, all parties acknowledge their understanding and acceptance of the terms and conditions of this Agreement. If you are unsure about any aspect of this Agreement, you should seek the advice of an attorney. If no options are checked above under "Borrowers Certification," this Agreement will be interpreted as meaning that Option B is in effect and that the Borrower **HAS NOT LOCKED-IN THE RATES AND TERMS.** **NOTICE: Until the LENDER accepts and confirms the lock-in for the product, terms and rate you have selected THERE IS NO LOCK-IN.** Additionally, any subsequent extension of the lock-in expiration date (shown on page 2 of this Agreement) must be confirmed in writing by the LENDER. In the absence of any written lock-in extension confirmation by the LENDER, this Agreement will NOT be deemed to have been extended beyond the expiration date indicated on page 2. By your signature(s) below, you are also acknowledging that you have received a copy of this agreement. **THIS AGREEMENT DOES NOT CONSTITUTE A LOAN APPROVAL OR COMMITMENT.**

**DO NOT SIGN OR INITIAL THIS AGREEMENT UNLESS ALL BLANKS ARE COMPLETED. THERE ARE 3 PAGES TO THIS AGREEMENT.**

\_\_\_\_\_  
Borrower Date Borrower Date

\_\_\_\_\_, 20\_\_\_\_\_  
Broker Authorized Representative Date

# IMPORTANT APPLICANT INSTRUCTIONS AND INFORMATION

In this document, "Company" refers to Empire Equity Group, Inc. or its d/b/a 1<sup>st</sup> Metropolitan Mortgage, 1<sup>st</sup> Metropolitan Mortgage of NY, Empire 1<sup>st</sup> Metropolitan, or 1<sup>st</sup> Metropolitan Mortgage Co., Inc.

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- 1. VERBAL PROMISES-** No verbal promises are binding. All promises, agreements and information disclosed are made to you by the company are in the form of written agreements and disclosures.
- 2. OCCUPANCY INTENTIONS-** It is a Federal crime under Title 18, United States Code 1014, punishable by fine or imprisonment, or both to make any statement known to be false on any loan application. In some states, making such false statements or representations violates state law and is considered to be a felony. Indicating that you will occupy the property being financed or refinanced as an owner-occupant when really your intention is not to do so is a false statement/misrepresentation and therefore is punishable under Title 18 of the US Code and violates many state laws. **YOU SHOULD NOT BE INFLUENCED BY ANY PERSON OR ANY DIFFERENCE IN LOAN TERMS AVAILABLE TO MISREPRESENT OR FALSIFY YOUR OCCUPANCY INTENTIONS.** If it is not your intention to occupy a property (e.g. you are purchasing a property as an investment to be held for rental or you are purchasing a property with the intention of rehabilitating it and then selling without actually living in the property) then you should NOT represent that you intend to occupy the property. Misrepresenting your occupancy intention constitutes a default under the terms of the loan, and in the case of such a default you may be required to immediately pay the full balance of the loan along with any other amounts, charges, fees, or costs required. **DO NOT MISREPRESENT OR FALSIFY YOUR OCCUPANCY INTENTIONS FOR ANY REASON.**
- 3. MORTGAGE PAYMENTS- YOU SHOULD NOT EVER "SKIP," "WITHHOLD," OR OTHERWISE FAIL TO MAKE ANY MORTGAGE PAYMENT WHEN DUE.** We are not authorized to make any current or future mortgage payments on your behalf.
- 4. DEBT PAYMENTS – YOU SHOULD CONTINUE TO PAY YOUR DEBTS WHEN THEY ARE DUE.** We are not authorized to make any payments toward the reduction of or elimination of any present or future debt belonging to you or any co-applicant.
- 5. YOUR INCOME –** Income, as a basis for deciding whether or not to make a loan, is a very important factor. Income may not be falsely stated or misrepresented. Accurately stating your income is extremely important. Many loan products allow what is known as "stated income" which means that the Lender relies on YOUR representation of your income. **DO NOT STATE INCOME OVER AND ABOVE YOUR ACTUAL CURRENT AND CONTINUOUS INCOME.** We cannot advise you what income is required to qualify for a loan except for the purposes of applying for a full documentation loan.
- 6. APPRAISALS –** Appraisals establish the value of the property being financed or refinanced which assures the Lender that the property is adequate collateral for the loan. It is illegal and unethical to attempt to influence an appraiser to establish a value for the property that is in excess of the actual value. I certify that to my knowledge no influence of value has been placed upon the appraiser.
- 7. PLACE OF APPLICATION –** For internal tracking purposes, we request that you certify below how and where the loan application was taken:

- Internet                       Mail                       Face-to-face Interview inside Branch location or home office
- Telephone                       Face-to-face Interview at a location other than the branch location or home office

**I/WE HEREBY ACKNOWLEDGE RECEIPT OF A COPY OF THE DISCLOSURES CONTAINED HEREIN AT THE TIME OF MAKING A LOAN APPLICATION AND CERTIFY THAT THEY HAVE BEEN READ AND ARE UNDERSTOOD. DO NOT SIGN THESE CERTIFICATIONS & AUTHORIZATIONS IF YOU HAVE ANY UNANSWERED QUESTIONS.**

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Borrower

Date

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Borrower

Date

# APPLICATION DISCLOSURES & AUTHORIZATIONS

## (Not for Use in Massachusetts)

In this document, "Broker" refers to Empire Equity Group, Inc. or its d/b/a 1<sup>st</sup> Metropolitan Mortgage, 1<sup>st</sup> Metropolitan Mortgage of NY, Empire 1<sup>st</sup> Metropolitan, or 1<sup>st</sup> Metropolitan Mortgage Co., Inc.

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1. **RIGHT TO FINANCIAL PRIVACY ACT OF 1978** - This is notice to you as required by the Right to Financial Privacy Act of 1978 that VA, HUD/FHA, FNMA, FHLMC or investors have a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to VA, HUD/FHA, FNMA, FHLMC and other investors without further notice or authorization, but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.
2. **EQUAL CREDIT OPPORTUNITY NOTICE** - The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applicants on the basis of race, color, religion, national origin, sex, familial status, age (provided that the applicant has the capacity to enter into a binding contract) or handicap; 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 is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 22102-5090.
3. **INCOME DISCLOSURE NOTICE** - Income from alimony, child support, or separate maintenance need not be revealed unless the applicant(s) will rely on any of those sources of income to establish creditworthiness.
4. **CONSENT AUTHORIZATION** - By My/Our signature(s) below, Broker is authorized to discuss My/Our loan application and the processing of that application with My/Our Real Estate Agent and/or the Listing Real Estate Agent for the property being purchased to keep them fully informed should any problems exist or develop regarding this financing transaction.
5. **OWNERSHIP OF APPLICATION DOCUMENTS** - I/We understand that all documents obtained in connection with My/Our loan application become the property of Broker. Broker is under no obligation and is, in some cases, prevented by law and third party agreements, to supply these documents or copies of these documents that have been obtained by payment of any fee or fees to any other party.
6. **RE-VERIFICATION AUTHORIZATION** - I/We hereby authorize VA, HUD/FHA, FNMA, FHLMC, or any OTHER INVESTOR acquiring and/or servicing My/Our loan to re-verify any employment, credit or asset information contained in My/Our application file. This includes third-party Quality Control companies under contract with Broker.
7. **FEE AUTHORIZATION** - I/We hereby acknowledge that we understand Broker does not typically collect any application or advance third party fees. The exception is that Empire Equity Group, Inc. may charge advance application fees in the states of NY, NJ, CT, MD, and FL. All third party fees such as appraisal fees, credit report fees, etc will be paid directly to the provider at the time the service is rendered or at the time of loan closing.
8. **ACKNOWLEDGMENT OF ESCROW REQUIREMENT** - I/We understand that if My/Our loan is granted, I/We may be required to have an escrow account for homeowner's insurance, property taxes, and mortgage insurance (if applicable). Furthermore, I/We understand that My/Our monthly payment will include principal and interest, as well as one-twelfth of My/Our annual homeowner's insurance premiums, property taxes and mortgage insurance (if applicable).
9. **FAIR CREDIT REPORTING ACT** – I/We understand that, as part of assembling My/Our loan application, Empire Equity Group, Inc. will request a consumer report bearing My/Our credit worthiness, credit standing, and credit capacity. This notice is given to Me/Us pursuant to the Fair Credit Reporting Act of 1970 ("FCRA"), Section 601 inclusive. I/We will be entitled to such information within 60 days of written demand made to the credit-reporting agency pursuant to Section 606(b) of the FCRA. By My/Our signature(s) below, I/We herewith authorize Broker to obtain a personal credit report from a credit-reporting agency. I/We understand that this information is necessary for processing my loan application.
10. **CONSUMER HANDBOOK ON SETTLEMENT COSTS** – I/We acknowledge receipt from Empire Equity Group, Inc. a copy of the HUD booklet entitled "Settlement Costs" as well as the "Consumer Handbook on Adjustable Rate Mortgages (if this loan application is for an Adjustable Rate Loan).

11. **OCCUPANCY CERTIFICATION** – I/We  do intend  do not intend (CHECK ONE) to occupy this property as My/Our principal residence. I/We fully understand that it Federal crime punishable by fine or imprisonment, or both to make any statement known to be false concerning the above responses as applicable under the provisions of Title 18. United States Code 1014. If I/We indicated above that it is our intent in seeking this loan is to obtain financing for the purchase or refinance of a home to be used as My/Our principal residence occupancy will begin with in 30 days after close of escrow and will extend for at least a 12 month period from the closing and funding date. I/we understand that if we represent that I/We indicate that our intent is to occupy the property that this loan is being considered based on that stated intent, and understand perfectly that failure to Occupy the property as provided in this certification shall constitute a default under the terms of the loan, and in case of such a default I must, upon recall of the loan, immediately to pay the full balance of the loan and any other amounts, charges, fees, or costs required.

**DO NOT BE INFLUENCED BY ANYONE TO MISREPRESENT YOUR OCCUPANCY!**

12. **FAIR LENDING NOTICE** – 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 if you wish to file a complaint, contact the management of this financial institution or Office of Fair Housing and Equal Opportunity, Room 5204, 451 Seventh Street, S.W., Washington, DC 20410-2000.

13. **FLOOD DISASTER PROTECTION ACT OF 1973** – We hereby acknowledge that I/we have been advised of the Flood Disasters Protection Act of 1973 and the requirements that I/we provide such insurance coverage on any property located within an area designated as a Flood Hazard Area. Should the subject property fall within a flood hazard area as defined in the Act, than I/we authorize the Lender and its successors and /or assigns to purchase such insurance and I/we further agree to pay promptly the cost thereof.

14. **ANTI-COERCION STATEMENT** – Most state laws and our company policy provide that you be given the following *Notice* concerning the purchase of hazard insurance for the property. The Lender will require you to obtain hazard insurance coverage for improvements on the Property. You have the right of free choice in the selection of the agent and insurer through or by such insurance is to be purchased or the option of furnishing the required amount of insurance through existing policies owned or controlled by you subject to the Lender's right to reasonably reject a given insurer or agent based on the following: Lenders must apply uniform standards relating to the extent of coverage, the financial soundness and services of an insurer, and the insurer's authorization to transact insurance business within the property state. The Lender's uniform standards may not discriminate against any particular type of insurer or reject an insurer because the insurance contract contains coverage in addition to what is required in the credit transaction. Any insurance required as a condition of the extension of credit by the Lender need not be purchased from the Lender, an affiliate of the Lender, or Broker, but may, without affecting the approval of your application by the Lender for an extension of credit, be purchased from an agent or insurance of your choice. **You should be aware that an original policy or binder may take several weeks to procure and so you should not delay contacting your agent or insurer. FAILURE TO PROCURE A POLICY OR BINDER WILL DELAY YOUR LOAN CLOSING**

**I/WE HEREBY ACKNOWLEDGE RECEIPT OF A COPY OF THE DISCLOSURES CONTAINED HEREIN AT THE TIME OF MAKING A LOAN APPLICATION AND CERTIFY THAT THEY HAVE BEEN READ AND ARE UNDERSTOOD. DO NOT SIGN THESE CERTIFICATIONS & AUTHORIZATIONS IF YOU HAVE ANY UNANSWERED QUESTIONS.**

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

# Notice to Applicant of Right to Receive Copy of Appraisal Report

Date:

Loan Number:

Property Address:

You have the right to receive 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 the appraisal. We must receive your written request no later than days after we notify you about the action taken on your application or you withdraw your application. If you would like a copy of the appraisal report, contact:

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Borrower

Date

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Borrower

Date

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Borrower

Date

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Borrower

Date

## **Mortgage Servicing Transfer Disclosure Statement**

**NOTICE TO MORTGAGE LOAN APPLICANT. THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED; FEDERAL LAW GIVES YOU CERTAIN RELATED RIGHTS. IF YOUR LOAN IS MADE, SAVE THIS STATEMENT WITH YOUR LOAN DOCUMENTS. SIGN THE ACKNOWLEDGMENT AT THE END OF THIS STATEMENT 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. Section 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 notice of that transfer. The present loan servicer must also send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the date of the transfer. The new loan servicer must also send you notice within 15 days after the 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 transfer. The 15-day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (no more than 30 days after transfer) for servicers to notify you upon the occurrence of certain business emergencies.

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 or both at your present servicer and your new servicer to answer your questions. 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. Section 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, 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 a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and the information regarding your request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or

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.

A Business Day is any day in which the offices of the business entity are open to the public for carrying on substantially all of its business functions.

**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**

The following is the best estimate of what will happen in the servicing of you mortgage loan.

Neither Empire Equity Group, Inc. nor any of its d/b/a's (1<sup>st</sup> Metropolitan Mortgage, 1<sup>st</sup> Metropolitan Mortgage of NY, Empire 1<sup>st</sup> Metropolitan, and 1<sup>st</sup> Metropolitan Mortgage Co., Inc.) service mortgage loans, and we have not serviced mortgage loans in the past three years. We only broker loans to lenders and therefore a lender and not us will service your loan. You will be advised about your servicer at the time of settlement.

**Acknowledgment of Mortgage Loan Applicant**

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

\_\_\_\_\_  
Borrower Date

\_\_\_\_\_  
Borrower Date

# USA Patriot Act Information Disclosure

## Important Information about Application Procedures

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Federal law requires all financial institutions to obtain, verify, and record information that identifies every customer. What this means to you: When you apply for a loan, we will ask for your name, address, date of birth, and other information that will allow us to verify your identity. We may also ask to see your driver's license or other identifying documents.

**THE FOLLOWING INFORMATION MUST BE OBTAINED TO BE IN COMPLIANCE WITH THE USA PATRIOT ACT. THIS INFORMATION MUST BE RETAINED FOR FIVE YEARS AFTER THE ACCOUNT IS CLOSED**

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Borrower Name:

Borrower Date of Birth:

Borrower Social Security Number:

Borrower Current Physical Address:

Co-Borrower Name:

Co-Borrower Date of Birth:

Co-Borrower Social Security Number:

Co-Borrower Current Physical Address:

### Method of identification for Borrower (Only One form of Verification is Required)

Driver's License: State: \_\_\_\_\_ DL# \_\_\_\_\_ Issue Date: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
Passport: # \_\_\_\_\_ Country: \_\_\_\_\_ Issue Date: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
Military ID: Country: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
Green Card: Country: \_\_\_\_\_ #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
Immigration Card: Country: \_\_\_\_\_ #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
State ID: # \_\_\_\_\_ State: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
Gov't ID (Visa): # \_\_\_\_\_ Exp. Date: \_\_\_\_\_ Gov't Branch: \_\_\_\_\_  
Other Document: \_\_\_\_\_ Issue Date: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

### Resolution of Any Discrepancy:

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### Method of identification for Co-Borrower (Only One form of Verification is Required)

Driver's License: State: \_\_\_\_\_ DL# \_\_\_\_\_ Issue Date: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
 Passport: # \_\_\_\_\_ Country: \_\_\_\_\_ Issue Date: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
 Military ID: Country: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
 Green Card: Country: \_\_\_\_\_ #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
 Immigration Card: Country: \_\_\_\_\_ #: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
 State ID: # \_\_\_\_\_ State: \_\_\_\_\_ Exp. Date: \_\_\_\_\_  
 Gov't ID (Visa): # \_\_\_\_\_ Exp. Date: \_\_\_\_\_ Gov't Branch: \_\_\_\_\_  
 Other Document: \_\_\_\_\_ Issue Date: \_\_\_\_\_ Exp. Date: \_\_\_\_\_

**Resolution of Any Discrepancy:**

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**ACKNOWLEDGMENT**

**I/We acknowledge that I/we received a copy of this disclosure and that the information presented for validation of My/Our identity is valid and genuine.**

Borrower \_\_\_\_\_ Date \_\_\_\_\_ Borrower \_\_\_\_\_ Date \_\_\_\_\_

Broker Representative \_\_\_\_\_ Date \_\_\_\_\_

# FINANCIAL PRIVACY POLICY NOTICE

## Information We Gather and the Parties to Whom We Disclose the Information

EMPIRE EQUITY GROUP, INC. ALSO INCLUDES ITS D/B/A'S 1<sup>ST</sup> METROPOLITAN MORTGAGE, 1<sup>ST</sup> METROPOLITAN MORTGAGE OF NY, 1<sup>ST</sup> METROPOLITAN MORTGAGE CO., INC., AND EMPIRE 1<sup>ST</sup> METROPOLITAN ("Business").

In order to process your loan, comply with government regulations, improve our products and services, and better understand your financial needs, Business collects and maintains personal information about our customers and former customers from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from consumer reporting agencies.

We may disclose the information above within our family of companies ("affiliates"). The affiliates to whom we disclose personal information about our customers and former customers include affiliated insurance companies. We may disclose the information above to our affiliates as follows:

- We may share the information described above with our affiliates so that we may provide our existing and former customer with valuable product and service offers.
- We may also share the information we collect with our affiliates who perform administrative and servicing functions, as permitted by law.

In addition, we may disclose the information above with nonaffiliated third parties who service and process the loans and financial products that we offer to our customers and former customers, as permitted by law.

The law allows us to share identifying information and information about our transactions and experiences with you. You may direct us not to share other information that is assembled or used to determine your eligibility for a product or service, such as that shown on consumer credit reports and asset and income information from applications.

If you prefer that we not share this other information with our affiliates, you may choose to opt-out (or ask us not to share). To opt-out, simply notify us by calling 1-800-829-3000, Extension 1611. Your opt-out request will become effective as soon as reasonably practicable after we receive it.

## How We Maintain the Confidentiality and Security of Your Personal Information

We maintain physical, electronic, and procedural safeguards that comply with all legal requirements to guard your nonpublic personal information. We restrict our employees' access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We also require third parties to whom we disclose personal information as permitted by law and our affiliates

## FINANCIAL PRIVACY POLICY NOTICE

to maintain appropriate procedures to ensure the security and confidentiality of your personal information.

### **Our Commitment to You to Maintain Accurate Information**

We are committed to providing you with superior customer service. We strive to ensure your account information is correct and current. Should you at any time discover that information pertaining to your account is inaccurate or not up-to-date, please contact us at the address or toll-free telephone number shown below:

**Empire Equity Group, Inc.  
25 Phillips Parkway  
Montvale, New Jersey 07645  
Attn: Legal Dept.  
[800] 829-3000 Extension 1611**

**I/We hereby acknowledge receipt of this two-page Privacy Policy Notice at or prior to the time of our mortgage loan application and understand the provisions contained herein.**

\_\_\_\_\_  
*Borrower*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Borrower*

\_\_\_\_\_  
*Date*

NATIONAL CREDIT SCORE DISCLOSURE

Borrower(s) Name:

Property Address:

In evaluating your application for a home mortgage loan, one factor your lender will consider is one or more of your credit scores because they assist the lender in evaluating your credit history in a faster, more objective manner. Your credit scores are found on our credit report, a copy of which was provided to you with this disclosure. The range of possible scores is from 300 to 850. Your lender may also obtain and consider other credit scores in making its decision on your application from the consumer reporting agencies listed below.

In addition to the credit scores, your credit report lists the key reasons why your scores were less than the maximum possible scores. Please keep in mind that these reasons are provided based on variables, where you received less than the maximum number of points possible. The listing of these reasons does not by itself indicate that you would not be approved for the loan you have requested. The lender considers many factors in addition to your credit score in making a decision on your application. If your application is not approved, you will receive a separate notice stating the specific reasons for that action which may or may not relate to your credit scores.

The originator or lender did not calculate your credit scores, nor did they develop the scoring models. If you have any questions about your credit scores or the information in the credit report from which the credit scores were computed, you can contact the consumer reporting agencies at the addresses below:

Equifax
P.O. Box 740258
Atlanta, GA 30374-0258
Phone: (800) 685-1111
Website: www.equifax.com

TransUnion
P.O. Box 1000
Chester, PA 19016-4000
Phone: (800) 888-4213
www.transunion.com/direct

Experian
P.O. Box 2104
Allen, TX 75013
Phone: (888) 397-3742
www.experian.com

Notice to Home Applicant

(Pursuant to the Fair Credit Report Act [15 U.S.C. 1681g Sec 609(g)(1)(D)] as amended 12/4/03)

In connection with your application for a home loan, the lender must disclose to you the score that a consumer reporting agency distributed to users and the lender used in connection with your home loan, and the key factors affecting your scores.

The credit score is a computer-generated summary calculated at the time of the request and based on the information a consumer reporting agency 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 consumer reporting agency at the address and telephone number provided with this notice, or contact the lender, if the lender developed or generated the credit score. The consumer reporting agency 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 decisions on a loan application. If you have any questions concerning the terms of the loan, contact the lender.

This acknowledges that this Disclosure, along with a copy of my/our credit report, has been provided to each applicant/client pursuant to 15 U.S.C. 1681gSec 609(g)(1)(D) as amended 12/4/03 and effective 12/4/04.

Borrower Date Borrower Date

Broker Representative Date

# MORTGAGE LOAN ORIGATION DISCLOSURE

(FOR USE IN ALL STATES EXCEPT KANSAS)

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1<sup>ST</sup> METROPOLITAN MORTGAGE (also 1<sup>ST</sup> METROPOLITAN MORTGAGE OF NY, 1<sup>ST</sup> METROPOLITAN MORTGAGE CO., INC., or EMPIRE 1<sup>ST</sup> METROPOLITAN) (referred to in this Agreement as "Broker") is properly licensed, registered or exempt from the provisions of licensing in the state where the property is located. 1<sup>ST</sup> MET is acting as a Broker in the transaction and is not the LENDER.

**SECTION 1. NATURE OF RELATIONSHIP.** In connection with this mortgage loan, Broker, is acting as an independent contractor, and not as your agent. We will enter into separate independent contractor agreements 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.

**SECTION 2. MORTGAGE BROKER'S COMPENSATION.** The lenders whose loan products Broker distributes generally provide their loan products at a wholesale rate. The retail price Broker offers you (your interest rate, total points and fees) will include Broker compensation. In some cases, both you and the lender may pay Broker all of its compensation. 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 Broker's compensation directly through a higher interest rate in which case Broker would be paid directly by the lender. Broker may be paid by the lender based on (1) the value of the mortgage loan which you make or related servicing rights in the market place, or (2) other services, goods or facilities performed or provided by Broker to the lender.

By signing below, Applicant(s) acknowledges receipt of a signed copy of this Agreement.

1<sup>ST</sup> METROPOLITAN MORTGAGE  
Broker

Applicant(s)

By: \_\_\_\_\_

By: \_\_\_\_\_  
(Applicant Signature)

Date: \_\_\_\_\_

Name: \_\_\_\_\_  
(Applicant Printed Name)

Address:

By: \_\_\_\_\_  
(Applicant Signature)

Name: \_\_\_\_\_  
(Applicant Printed Name)

Address:

# NORTH CAROLINA APPLICATION DISCLOSURE BROKER

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Borrower Name(s):

Property Address:

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## ADVANCE FEES

Empire Equity Group, Inc. and its d/b/a 1<sup>st</sup> Metropolitan Mortgage (“Broker”) collects no advance third-party fees in connection with any loan application. Actual fees you may be required to pay are shown on the *Good Faith Estimate of Closing Costs*.

**Under 4 N.C.A.C. 31.0702, the Borrower is advised that the mortgage broker does not fund mortgage loans and cannot guarantee acceptance into any particular program, nor can the mortgage broker guarantee any specific loan terms or conditions.**

You may be required to pay third-party service provider fees such as appraisals, credit reports, couriers, etc. directly to the third-party service provider vendor at the time the service is rendered or at closing. You will be advised of how payment is to be effected. It is anticipated that third-party vendor fees, when paid, have been rendered after the service is performed and therefore are most likely not refundable.

If you have any questions or concerns regarding your application, please contact:

Broker Address:

Address

Broker Loan Representative

*City State Zip*

*Telephone Number*

**I/We acknowledge receiving a completed copy of this agreement at or before the time of making a written application for a mortgage loan. Further, I/We understand the provisions of this disclosure. This disclosure does not constitute a commitment to make a mortgage loan.**

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower's Signature

\_\_\_\_\_  
Date

# NORTH CAROLINA CHOICE OF INSURANCE NOTICE

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Borrower Name(s):

Property Address:

1<sup>st</sup> METROPOLITAN MORTGAGE Loan Number:

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The **North Carolina General Statute § 75-17** requires that you receive written notification of your right to select insurance of your choice.

1<sup>st</sup> METROPOLITAN MORTGAGE shall not require that you, upon financing the purchase of real property or lending money on the security of real property, as a condition precedent, concurrent, or subsequent to financing the purchase of such property or renewal or extension to lending money upon the security of a mortgage thereon, **negotiate any policy of insurance, or renewal thereof through a particular insurer, agent, solicitor, or broker.**

**Your acknowledgment below signifies that written notice was provided to you pursuant to the state statute.**

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

# NORTH CAROLINA NOTICE OF INFORMATION AND EXAMPLES OF AMORTIZATION OF HOME LOANS

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Borrower Name(s):

Property Address:

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## Notice of Information and Examples of Amortization of Home Loans

[Notice to Consumers under North Carolina General Statutes Section 24-1.1A(a1)(1)]

Note: North Carolina law requires a mortgage lender to provide this Office of the Commissioner of Banks Notice to a consumer who applies for a “home loan.” The lender must deliver or mail this Notice to the consumer within three business days after the lender receives the consumer’s loan application or the date of loan closing, whichever is earlier. This law defines a “home loan” as a loan (other than an open-end credit plan) for less than \$300,000, obtained for personal, family or household purposes and secured by a first mortgage or first deed of trust on the consumer’s dwelling.

### Information on Home Loan Amortization

When you obtain a home loan from a lender, you will be asked to sign a note that requires you to repay the principal amount you borrow, plus interest. You may also be required by your loan documents to pay sums into “escrow” so that your lender will have sufficient funds on hand to pay your property taxes and property insurance premiums on your behalf as and when they become due. If you are delinquent in making your payments, you may be required to pay a late charge. The *order* in which your lender applies your payments to these various categories will depend on the specific terms of your loan documents and the manner in which your lender administers your loan. However, as between principal and interest, most lenders will apply your payment to the interest owed before any portion of the payment is applied to reduce the principal balance of the loan. If yours is a typical home loan, during the early years of your loan most of your payment will be applied to satisfy your interest obligation and only a small amount will be applied to the principal balance. However, as your principal balance gradually reduces over time, less of your payment will be applied to interest and more will be applied to principal. The gradual process by which periodic payments affect the principal balance is called “**amortization**.”

Your mortgage lender or mortgage broker may offer a variety of home loans that may have different maturity dates (the final due date) and different terms of repayment. An “**amortization schedule**” for your loan will show the principal amount of your loan, the amount of your periodic payment, the amount of interest that will be collected periodically, how much (if any) will be applied to reduce the principal, whether (and how much) the principal increases if loan payments are insufficient to pay interest, how many scheduled payments you must make to pay off your home loan, and the unpaid principal balance after each scheduled payment is timely made.

How *your* loan will amortize will depend upon the specific terms of your loan and how your lender administers your loan. Typically, a conventional fixed rate home loan is payable in substantially equal monthly payments of principal and interest over the 15-year or 30-year loan term. For this type of loan, the amount you borrow, the interest rate and the loan term will be the most important factors in determining your payment amount and how your loan will amortize. However, because lenders offer a wide variety of home loan products, you should be aware that other factors greatly influence your repayment terms and how your loan will amortize. For example:

- Some lenders offer “interest only” home loans. In this type of loan, your payment will cover only the interest that is due, and none of your payment will be applied to principal. As a result, the entire principal balance of your loan will be due at maturity.
- Some lenders offer “balloon” home loans. In this type of loan, the required periodic payment is based on an amortization schedule that extends beyond the maturity date of the loan. For example, a lender may offer you a 15-year loan with required periodic payments computed to pay the loan off in 20 years. As a result, even though your required periodic payments may be for a fixed dollar amount and you make all your payments in a timely manner, a substantial portion of the principal balance of the loan will still be due when the loan matures in 15 years.
- Lenders are permitted to use a variety of different methods to calculate the interest due on your loan. In a typical conventional 15-year or 30-year fixed rate home loan, most lenders calculate interest on the assumption that each month has 30 (and only 30) days and that each year is 360 days long. In other home loans, lenders sometimes determine the actual number of days the principal amount is outstanding for each period and calculate the interest due based on a 360-day, a 365-day, or a 365/366-day year. Although most lenders charge periodic interest in arrears, some charge interest in advance. The interest calculation method used by your lender will affect how your loan amortizes. You should ask your lender about the interest calculation method that will apply to your home loan.

- Most amortization schedules assume that your lender will receive payment on the exact date your payment is due. If your lender charges periodic interest on the outstanding principal balance of your loan for the actual number of days from your last payment until your next payment is actually received and applied to your loan by the lender, your amortization schedule will become inaccurate the first time you fail to make a payment on the exact date it is due.
- Beware of “negative amortization” loans. In this type of loan, the periodic payments required by your loan documents are insufficient to pay the interest as it accrues on your loan. As a result, your loan balance will actually increase, even though you make the required payments on time.
- Some lenders offer “graduated payment” or “reverse annuity” home loans. These are special-purpose loans designed to meet the specific needs of a small segment of homeowners. These are complicated loans that frequently involve negative amortization and/or increasing payment amounts. These types of loans may require you to pay interest on unpaid interest – as interest accrues, the lender may be permitted to add it to the outstanding principal balance of the loan.

*Before you borrow, ask enough questions of your lender to make sure you understand how your loan will be administered and how your loan will amortize. Ask your lender whether your payment amount includes or excludes any required escrow payments. Amortization schedules typically ignore sums you may be required to pay into escrow for taxes and insurance.*

**See the four Example Home Loan Amortization Schedules on the Next Page.**

**I/We hereby acknowledge that this *North Carolina Notice of Information and Examples of Amortization of Home Loans* (three pages) was provided to Me/Us at the time loan application was made or within three days of the date of application.**

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Borrower's Signature

Date

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Borrower's Signature

Date

**Examples of Home Loan Amortization Schedules**

Examples of amortization schedules are shown for four different home loans of \$150,000 on the charts below. These examples permit you, for example, to compare how a higher interest rate will affect your periodic payment and the differences between conventional 15-year and 30-year fixed rate home loans. These examples assume that monthly payments are made on the scheduled due dates. Your lender may be required under North Carolina law to deliver at your loan closing, or mail to you within three days thereafter, an amortization schedule for your loan. These examples are for informational purposes only, and the amortization schedule for your loan may differ based on the terms of your home loan. In addition, your actual required periodic payments may be higher than these examples if your lender uses a different interest calculation method, requires you to make periodic escrow payments for insurance and/or taxes, or you owe late charges.

**15 Years at 8%**

Interest Rate: 8% Term to Maturity: 15 years  
 Monthly Payment: \$1,433.48 Total Number of Payments: 180

The first 12 and final six payments are shown. A total of 180 payments of \$1,433.48 or \$258,026.40 must be made over the life of the loan.

Payment Number	Principal Balance	Monthly Payment Amount	Interest Paid	Principal Applied	New Balance
1	\$150,000.00	\$1,433.48	\$1,000.00	\$433.48	\$149,566.52
2	\$149,566.52	\$1,433.48	\$997.11	\$436.37	\$149,130.15
3	\$149,130.15	\$1,433.48	\$994.20	\$439.28	\$148,690.88
4	\$148,690.88	\$1,433.48	\$991.27	\$442.21	\$148,248.67
5	\$148,248.67	\$1,433.48	\$988.32	\$445.15	\$147,803.52
6	\$147,803.52	\$1,433.48	\$985.36	\$448.12	\$147,355.40
7	\$147,355.40	\$1,433.48	\$982.37	\$451.11	\$146,904.29
8	\$146,904.29	\$1,433.48	\$979.36	\$454.12	\$146,450.17
9	\$146,450.17	\$1,433.48	\$976.33	\$457.14	\$145,993.03
10	\$145,993.03	\$1,433.48	\$973.29	\$460.19	\$145,532.84
11	\$145,532.84	\$1,433.48	\$970.22	\$463.26	\$145,069.58
12	\$145,069.58	\$1,433.48	\$967.13	\$466.35	\$144,603.23
175	\$8,403.70	\$1,433.48	\$56.02	\$1,377.45	\$7,026.24
176	\$7,026.24	\$1,433.48	\$46.84	\$1,386.64	\$5,639.61
177	\$5,639.61	\$1,433.48	\$37.60	\$1,395.88	\$4,243.73
178	\$4,243.73	\$1,433.48	\$28.29	\$1,405.19	\$2,838.54
179	\$2,838.54	\$1,433.48	\$18.92	\$1,414.55	\$1,423.98
180	\$1,423.98	\$1,433.48	\$9.49	\$1,423.98	\$0.00

**30 Years at 8%**

Interest Rate: 8% Term to Maturity: 30 years  
 Monthly Payment: \$1,100.65 Total Number of Payments: 360

The first 12 and final six payments are shown. A total of 360 payments of \$1,100.65 or \$396,234.00 must be made over the life of the loan.

Payment Number	Principal Balance	Monthly Payment Amount	Interest Paid	Principal Applied	New Balance
1	\$150,000.00	\$1,100.65	\$1,000.00	\$100.65	\$149,899.35
2	\$149,899.35	\$1,100.65	\$999.33	\$101.32	\$149,798.04
3	\$149,798.04	\$1,100.65	\$998.65	\$101.99	\$149,696.04
4	\$149,696.04	\$1,100.65	\$997.97	\$102.67	\$149,593.37
5	\$149,593.37	\$1,100.65	\$997.29	\$103.36	\$149,490.01
6	\$149,490.01	\$1,100.65	\$996.60	\$104.05	\$149,385.96
7	\$149,385.96	\$1,100.65	\$995.91	\$104.74	\$149,281.22
8	\$149,281.22	\$1,100.65	\$995.21	\$105.44	\$149,175.79
9	\$149,175.79	\$1,100.65	\$994.51	\$106.14	\$149,069.64
10	\$149,069.64	\$1,100.65	\$993.80	\$106.85	\$148,962.79
11	\$148,962.79	\$1,100.65	\$993.09	\$107.56	\$148,855.23
12	\$148,855.23	\$1,100.65	\$992.37	\$108.28	\$148,746.95
355	\$6,452.49	\$1,100.65	\$43.02	\$1,057.63	\$5,394.86
356	\$5,394.86	\$1,100.65	\$35.97	\$1,064.68	\$4,330.18
357	\$4,330.18	\$1,100.65	\$28.87	\$1,071.78	\$3,258.40
358	\$3,258.40	\$1,100.65	\$21.72	\$1,078.92	\$2,179.47
359	\$2,179.47	\$1,100.65	\$14.53	\$1,086.12	\$1,093.36
360	\$1,093.36	\$1,100.65	\$7.29	\$1,093.36	\$0.00

**15 Years at 11%**

Interest Rate: 11% Term to Maturity: 15 years  
 Monthly Payment: \$1,704.90 Total Number of Payments: 180

The first 12 and final six payments are shown. A total of 180 payments of \$1,704.90 or \$306,882.00 must be made over the life of the loan.

Payment Number	Principal Balance	Monthly Payment Amount	Interest Paid	Principal Applied	New Balance
1	\$150,000.00	\$1,704.90	\$1,375.00	\$329.90	\$149,670.10
2	\$149,670.10	\$1,704.90	\$1,371.98	\$332.92	\$149,337.19
3	\$149,337.19	\$1,704.90	\$1,368.92	\$335.97	\$149,001.21
4	\$149,001.21	\$1,704.90	\$1,365.84	\$339.05	\$148,662.16
5	\$148,662.16	\$1,704.90	\$1,362.74	\$342.16	\$148,320.00
6	\$148,320.00	\$1,704.90	\$1,359.60	\$345.30	\$147,974.71
7	\$147,974.71	\$1,704.90	\$1,356.43	\$348.46	\$147,626.25
8	\$147,626.25	\$1,704.90	\$1,353.24	\$351.65	\$147,274.59
9	\$147,274.59	\$1,704.90	\$1,350.02	\$354.88	\$146,919.72
10	\$146,919.72	\$1,704.90	\$1,346.76	\$358.13	\$146,561.58
11	\$146,561.58	\$1,704.90	\$1,343.48	\$361.41	\$146,200.17
12	\$146,200.17	\$1,704.90	\$1,340.17	\$364.73	\$145,835.44
175	\$9,909.04	\$1,704.90	\$90.83	\$1,614.06	\$8,294.98
176	\$8,294.98	\$1,704.90	\$76.04	\$1,628.86	\$6,666.12
177	\$6,666.12	\$1,704.90	\$61.11	\$1,643.79	\$5,022.33
178	\$5,022.33	\$1,704.90	\$46.04	\$1,658.86	\$3,363.47
179	\$3,363.47	\$1,704.90	\$30.83	\$1,674.06	\$1,689.41
180	\$1,689.41	\$1,704.90	\$15.49	\$1,689.41	\$0.00

**30 Years at 11%**

Interest Rate: 11% Term to Maturity: 30 years  
 Monthly Payment: \$1,428.49 Total Number of Payments: 360

The first 12 and final six payments are shown. A total of 360 payments of \$1,428.49 or \$514,256.40 must be made over the life of the loan.

Payment Number	Principal Balance	Monthly Payment Amount	Interest Paid	Principal Applied	New Balance
1	\$150,000.00	\$1,428.49	\$1,375.00	\$53.49	\$149,946.51
2	\$149,946.51	\$1,428.49	\$1,374.51	\$53.98	\$149,892.54
3	\$149,892.54	\$1,428.49	\$1,374.01	\$54.47	\$149,838.07
4	\$149,838.07	\$1,428.49	\$1,373.52	\$54.97	\$149,783.10
5	\$149,783.10	\$1,428.49	\$1,373.01	\$55.47	\$149,727.63
6	\$149,727.63	\$1,428.49	\$1,372.50	\$55.98	\$149,671.64
7	\$149,671.64	\$1,428.49	\$1,371.99	\$56.50	\$149,615.15
8	\$149,615.15	\$1,428.49	\$1,371.47	\$57.01	\$149,558.14
9	\$149,558.14	\$1,428.49	\$1,370.95	\$57.54	\$149,500.60
10	\$149,500.60	\$1,428.49	\$1,370.42	\$58.06	\$149,442.54
11	\$149,442.54	\$1,428.49	\$1,369.89	\$58.60	\$149,383.94
12	\$149,383.94	\$1,428.49	\$1,369.35	\$59.13	\$149,324.81
355	\$8,302.51	\$1,428.49	\$76.11	\$1,352.38	\$6,950.13
356	\$6,950.13	\$1,428.49	\$63.71	\$1,364.78	\$5,585.36
357	\$5,585.36	\$1,428.49	\$51.20	\$1,377.29	\$4,208.07
358	\$4,208.07	\$1,428.49	\$38.57	\$1,389.91	\$2,818.16
359	\$2,818.16	\$1,428.49	\$25.83	\$1,402.65	\$1,415.51
360	\$1,415.51	\$1,428.49	\$12.98	\$1,415.51	\$0.00

**1<sup>st</sup> METROPOLITAN  
MORTGAGE**

**NORTH CAROLINA  
ATTORNEY SELECTION  
NOTICE**

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Borrowers Name(s):

Property Address:

1<sup>st</sup> Metropolitan Mortgage Loan Number:

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I understand that I have the right to select a qualified attorney to conduct my title search and loan closing, provided the attorney I select is acceptable to the lender. If I do not choose to select an attorney, the lender will do so.

Please check **ONE** of the following:

- I elect to have the lender choose a qualified attorney to search title and conduct my closing.
- I elect to choose the attorney to search title and conduct my closing. In doing so, I understand that:
  - The lender will not be responsible for any cancellation fees.
  - The lender will not guarantee rate or points should there be a delay in receipt of the title search or loan closing.

The attorney I choose is: \_\_\_\_\_

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

**NC Statement Of Borrower's Benefits**

I plan to enter into a transaction which refinances one or more existing mortgage loan(s) with a new mortgage loan secured by my North Carolina home.

I understand:

- there are costs associated with my new loan, and my loan will have different terms (including duration) than my existing loan(s);
- under North Carolina law, the Lender wants to make sure that I have determined that my new loan will provide a reasonable, tangible net benefit to me after taking into account the terms of both the new and existing loans, the cost of the new loan, and my own circumstances;
- the Lender is making this loan to me in reliance upon the representations made in this Statement of Borrower Benefits.

By refinancing my existing loan(s), the following benefits apply to me (please check every benefit that applies):

\_\_\_\_\_ I will receive cash-out from the new loan to pay necessary expenses. I will use the proceeds of my new loan toward the following (please check all that applies)

- |                            |                    |
|----------------------------|--------------------|
| _____ Medical expenses     | _____ Other: _____ |
| _____ Educational Expenses | _____ Other: _____ |
| _____ Home Improvement     | _____ Other: _____ |

\_\_\_\_\_ I will obtain a lower interest rate.

\_\_\_\_\_ I will obtain a lower monthly payment.

\_\_\_\_\_ I will obtain a shorter loan term (e.g., from a 30-year term to a 15-year term).

\_\_\_\_\_ I will consolidate other loans and debts I have into a single new loan.

\_\_\_\_\_ I will obtain the certainty of a fixed rate.

\_\_\_\_\_ I will be able to make the balloon payment on my existing loan.

\_\_\_\_\_ I will avoid foreclosure of or cure a default on an existing mortgage loan.

\_\_\_\_\_ Other (please specify): \_\_\_\_\_

I have considered the terms of both the existing and new loans, the cost of the new loan and my personal circumstances. I believe the overall benefits of the new loan make the new loan beneficial to me. I have determined that it would be beneficial for me to refinance the existing loan(s) with this new loan for the reason or reasons identified above. I certify that I have read and I understand this Statement of Borrower's Benefits and have had a chance to ask any questions about it that I have, and this Statement is true and correct.

\_\_\_\_\_  
(Signature & Date)

\_\_\_\_\_  
(Signature & Date)

\_\_\_\_\_  
(Signature & Date)

\_\_\_\_\_  
(Signature & Date)

# BORROWER'S CERTIFICATION AND AUTHORIZATION

## Certification

The undersigned certify the following:

1. I/We have applied for a mortgage loan through Empire Equity Group, Inc. or its d/b/a 1<sup>st</sup> Metropolitan Mortgage, 1<sup>st</sup> Metropolitan Mortgage of NY, Empire First Metropolitan, or 1<sup>st</sup> Metropolitan Mortgage Co., Inc. ("Broker") In applying for the loan, I/We have 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 made no misrepresentations in the loan application or other documents, nor did I/We omit any pertinent information.
1. I/We understand and agree that Broker 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.
2. I/We understand that any existing lien holder(s) will be required to execute a subordination agreement, wherein such lien holder shall expressly and fully subordinate its lien position to the lien being vested in favor of Broker's lender or investor.
3. I/We understand that in the event that at anytime during the life of the loan of said improved real estate is determined to be located within a community in which flood insurance is required, Broker and/or any lender acquires and/or services my loan will require flood insurance to be purchased and the insurance must cover the full replacement cost of the dwelling subject to the maximum amount of coverage allowed for the type of property under the National Flood Insurance Program (NFIP). I/We further understand that to protect the interest in the property if adequate insurance is not maintained, Broker or any lender who subsequently acquires and/or services my loan will purchase insurance coverage at my/our expense. Flood insurance coverage under the NFIP is limited to the overall value of the property securing the loan minus the value of the land on which the property is located.
4. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.
5. I/We understand that I/We will be entitled to receive a copy of any third party appraisal to be performed on the property which is the subject of the loan application provided: 1) an appraisal is required; 2) I/We have paid for the appraisal; and 3) I/We have requested the appraisal, in writing, or as otherwise mandated by state law, to 1<sup>ST</sup> MET within 90 days from the date of notification of action taken on the credit application or the date I/We withdraw the application. Requests may be made to 1<sup>st</sup> Metropolitan Mortgage, 5821 Fairview Road, Suite 200, Charlotte, NC 28209, ATTN: Quality Control

**Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy purposed to influence the issuance of any guaranty or insurance by the VA Secretary, the USDA, FmHA/FHA Commissioner or the HUD/CPD Assistance Secretary or on any other federally related mortgage loan application.**

## Authorization to Release Information

To Whom it May Concern:

6. I/We have applied for a mortgage loan through Empire Equity Group, Inc. or its d/b/a 1<sup>st</sup> Metropolitan Mortgage, 1<sup>st</sup> Metropolitan Mortgage of NY, Empire First Metropolitan, or 1<sup>st</sup> Metropolitan Mortgage Co., Inc. ("Broker"). **As part of the application process, Broker and the mortgage guaranty insurer (if any), may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.**
7. I/We authorize **you** to provide to Broker, and to any investor to whom Broker may place my mortgage, and to the mortgage guaranty insurer (if any), 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; copies of income tax returns; and any subordination agreements from prior lien holders.
8. Broker or any investor that receives the mortgage or the mortgage guaranty insurer (if any) may address this authorization to any party named in the loan application or to any existing lien holders from whom a subordination agreement will be required.
9. **A copy of this authorization may be accepted as an original.**
10. Your prompt reply to Broker, the investor that purchased the mortgage, or the mortgage guaranty insurer (if applicable) is greatly appreciated.
11. I/We acknowledge that if I/We: 1) am/are self-employed, 2) derive 25% or more of any income from a source other than salary, 3) have applied for an FHA alternative documentation loan, or 4) use tax returns to qualify for the mortgage loan, then I/We will be required to execute an IRS Form 4506 at application and at closing. The form will be used to request a copy of my/our tax returns should my/our loan be selected for a quality control audit by a lender or its assigns or designees.

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

# Credit Authorization

1. To all consumer-reporting agencies and to all creditors and depositories of the undersigned:

Please be advised that the undersigned, and each of them, has made application to:

requesting an extension of credit to the undersigned. Therefore, the undersigned, and each of them, hereby authorizes you to provide credit report and/or a disclosure to Lender or any agent or balance. The undersigned also authorizes you to disclose your deposit or credit experiences with the undersigned to Lender or to third parties.

2. In addition, the undersigned, and each of them, hereby authorizes Lender to disclose to any third party, or any agent or employee thereof, information regarding the deposit or credit experience with any of the undersigned.

3. A photographic or carbon copy of this authorization bearing a photographic or carbon copy of the signature(s) of the undersigned may be deemed to be equivalent to the original hereof and may be used as a duplicate original.

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Borrower	Date	Co-Borrower	Date
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