Sample Mortgage Commitment Letter

guidelines at time of assumption.

Congratulations! Your loan application has been approved subject to the terms and conditions included in this commitment letter. You may be required to provide documentation that is acceptable to the Lender. If the documentation you provide does not satisfy the terms and conditions, your final approval is not guaranteed and the Lender may require additional information and review. This commitment is also subject to reconsideration if there is any material change in your financial status, in the information provided in your application or on the condition of the property.

the information prov	nded in your application	if of off the condition of the	property.	
Loan Type	Loan amount \$	Loan term (months)	Simple Interest rate	%.
rate designated abo	ove reflects the interest	v is checked, you have elect rate used for qualifying. The and down depending on ma	ne interest rate and discour	nt
\$ and es exception. A late par end of 15 calendar of rate lock-in expiration expiration date is be required to re-pri	scrow payments. Your payment service charge of days after the payment on date and prior to the If you can ice your loan. Your consider, you may be reconstant.	cipal and interest in the approximate is due on the first of % will be charged to is due. Your loan must close commitment expiration dance close and fund prior to the immitment expiration date is quired to provide additional	day of each month without on payments received after se and fund prior to the intended te. Your interest rate lock-ing this date for any reason, you cannot.	er the terest n ou will close
You will be notified a every twelve months	of your First Interest Rass thereafter. Your adjus	peen approved for an Adjus ate Change Data and your sted interest rate will be bas in the ARM Disclosure and	interest rate will be adjuste sed on an Index plus a Mai	ed rgin,
FHA/VA All conditions set for (CRV) must be satisfied.		onal Commitment or the VA	A Certificate of Reasonable	Value
your application, wh	ich means that if your	ected to lock in the interest loan is closed and funded of st rate and discount points	within the Price Protection	or
Assumability If this line is	s checked, your loan m	nay be assumed by a qualifi	ied borrower who meets in	vestor

Escrow

Your monthly payment will include an amount for taxes, hazard insurance premiums, premiums for other insurance you may have (such as flood insurance or FHA mortgage insurance), and other items that may be required to be escrowed under the terms of the Loan agreement.

Flood Insurance

If this line is checked, we must be furnished at closing with an original policy of flood insurance (or application for insurance) under the National Flood Insurance Act of 1968, along with a paid receipt for the first year's premium. This insurance policy must be obtained from an acceptable company, must be in a form acceptable to us, and must have a loss payable provision as described under the Hazard Insurance requirements below.

Origination Fee and Loan Discount

Buyer/Seller must pay, at closing, a total Loan Origination Fee of% of the principal amount
of the loan (not including the MIP if financed) and a total loan discount of % of the principal
amount of the loan to be paid on the total loan amount (including the MIP if financed). If you've elect
ed to float your rate and points, refer to the Election Form given to you at the time of application. For
an FHA loan, Buyer must either pay or finance the up-front Mortgage Insurance Premium of
\$ and must pay a monthly MIP charge to start at \$ per month. For a VA loan
Buyer must also pay and/or finance the VA Funding Fee of \$

New Construction

New construction is subject to the proposed home being 100 percent completed prior to loan closing in accordance with the approved plans and specifications. We must receive evidence that all contractors and materialmen have waived their rights to a mechanic's lien. An approved final inspection will be required prior to closing along with photos of the completed property.

Credit Documents

All credit documents over 120 days old as of the date of the closing will need to be updated prior to loan closing to ascertain that your ability to repay has not changed adversely. (New construction credit documents over 180 days old at time of closing must be updated.)

Program Availability

We reserve the right to modify or eliminate this loan program at any time without notice to you. If the program is eliminated or you no longer qualify because of program modifications, this Approval will be void and you will be required to submit a new application for a different loan program.

Title Insurance or Attorney's Certificate

We must be furnished with an acceptable title insurance policy (or title guarantee policy in the State of Iowa) issued by a company or attorney satisfactory to us. The policy must name us as an insured in the amount of the Ioan and must insure the Security Instrument to be valid first lien on the property, free from all exceptions except those approved by us. If questions of survey are raised in connection with the title policy, we may/will require you to furnish us with a survey of the subject property.

Hazard Insurance

We must be furnished at closing with a copy of an original policy of hazard insurance or an original 90-day binder with a paid receipt for the first year's insurance premium insuring the subject property against loss by fire and hazards included in the term "extended coverage", and such other hazards as is customary to insure against in the area where the property is located. Coverage should be for at least the amount of the loan or the replacement cost of the property, whichever is less. If replacement cost is less than the loan amount, your appraisal must include a breakdown of land value and replacement cost. This insurance policy must be obtained from an acceptable company (Best gener-

al rating of at least B and a financial size rating of at least III), must be in a form acceptable to us, and must have a loss payable provision designating the mortgagee as follows:

Name of Bank	Here, its successors and/or assigns,
Bank Address_	
Loan #	

Assessments

Special assessments may be assumed provided that the assessment is recognized on the Appraisal or CRV or an amendment to the Appraisal or CRV. The apprised value must be reduced by the unpaid amount of the special assessment which will reduce your maximum mortgage amount.

Legal Documents

The Note and Security Instrument evidencing and securing the loan must be executed and delivered to us at the loan closing and must be acceptable to us in the form and substance.

Payment of Fees

By accepting this commitment, Buyer/Seller agrees to pay all closing costs, including recording fees, mortgage registration tax, tax service fees, fees or premiums for title examination, abstract of title, title insurance, survey expenses, appraisal fees, private mortgage insurance (if applicable), cost of credit report, document preparation fees, and attorney's fees (if outside counsel is engaged by us).

Legal Compliance

The Property must comply with applicable zoning, building, and other laws and regulations.

Modification

We reserve the right to withdraw this approval, or to modify the terms as required, if any material facts appear which have not been previously revealed to us by you.