

Vermont Commitment Letter

Date: _____

Borrower(s): _____

Property: _____

Loan Number: _____

Loan Purpose: _____ Purchase _____ Refinance

Loan Type: _____ Fixed Rate _____ Adjustable

We are pleased to advise you that your application for a mortgage loan on the above-captioned property has been approved by _____ ("Lender") subject to the following terms and conditions:

1. **LOAN AMOUNT:** \$ _____ **TERM:** _____ years

2. **INTEREST RATE:**

_____ If checked, the interest rate on your loan *has not* been locked-in. Your interest rate will be determined at a minimum of three days prior to closing. The maximum rate of interest for which you qualify is _____ %. Should the rate of interest at the time the rate is set exceeds this rate, this commitment shall be null and void.

_____ If checked, the interest rate on your loan has been locked-in at _____ % (if this is an adjustable rate mortgage, this is your initial interest rate.)

3. **ADJUSTABLE RATE MORTGAGES ONLY:**

Adjustment Period: _____ months Margin: _____% Current Index: _____%
Index Source: _____

Caps: _____% limit on interest rate increase/decrease at first change date
_____% limit on interest rate increase/decrease at subsequent change date
_____% limit on interest rate increase/decrease for life of the loan.

_____ Your loan has negative amortization.
_____ Your loan has a balloon payment.

4. **ORIGINATION FEE:** If the interest rate on your loan has been locked-in, the origination fee is \$ _____ (_____ % of the loan amount). If it has not been locked-in, the origination fee will be set at the time of lock-in.

5. **DISCOUNT POINTS:** If the interest rate on your loan has been locked-in, the discount points are \$ _____ (_____ % of the loan amount). If it has not been locked-in, the Discount Point(s) will be set at the time of lock-in.

6. **MORTGAGE BROKER FEE:** As compensation for its services, your Mortgage Broker will be paid directly by the Lender a fee of _____ % of the loan amount or \$ _____. By signing this commitment, you acknowledge that a mortgage broker fee will be paid to your mortgage broker. You further acknowledge that there is no other mortgage broker fee agreement between you and your mortgage broker.

7. **MONTHLY PAYMENT OF PRINCIPAL AND INTEREST:** If the interest rate on your loan has been locked-in, the monthly payment of principal and interest is \$ _____. (If this is an adjustable rate mortgage, this is your initial monthly payment of principal and interest.) If it has not been locked-in, the principal and interest stated above is an estimate utilizing the interest rate of _____ %.

Applicant's Initials: _____

8. **REAL ESTATE TAX AND HAZARD INSURANCE ESCROWS:** ____ At closing, an escrow impound account will be established and an initial escrow deposit will be required in accordance with RESPA. The *estimated monthly* escrow figures are as follows:

real estate tax	\$ _____
hazard insurance	\$ _____
flood insurance	\$ _____
private mortgage insurance	\$ _____

9. **RATE LOCK EXPIRATION DATE:** If your interest rate and points have been locked-in, the above rate and points are guaranteed until _____, _____ which is the expiration date of this commitment. If your loan does not close by this date, the Lender has no obligation to honor the terms of this agreement. If your interest rate has not been locked-in, you will be given a rate lock expiration date when it is locked.

_____ If checked, your loan is subject to the Right of Rescission. If this loan is for the refinance of the mortgage on your primary residence, you will not receive the loan proceeds on the day of closing. Therefore, your loan must close at least three (3) business days prior to the expiration date stated above. Otherwise, the Lender has no obligation to honor the terms of this agreement and this may result in a higher interest rate and/or more points being charged on your loan.

10. **HAZARD INSURANCE:** Prior to closing, you shall furnish this office with an original hazard insurance policy or a binder agreement satisfactory to us. Hazard Insurance coverage must be for \$ _____ or contain a Guaranteed Home Replacement Cost Endorsement, whichever is lower. We cannot require you to obtain a policy which exceeds the guaranteed replacement cost of the improvements securing the loan.

11. **FLOOD INSURANCE:** ____ Flood insurance will be required as a condition of this loan.

12. **PRIVATE MORTGAGE INSURANCE ("PMI"):** PMI ____ is ____ is not required as a condition of making this loan. In the future, once the loan-to-value of your loan reaches 80% PMI may, under certain circumstances, be removed from your loan. Call Lender's Servicing Department for further information.

13. **DOCUMENTATION:** A list of documentation and conditions which must be produced by you prior to closing, including but not limited to the following items (if applicable):

title report and insurance, property survey, copy of Certificate of Occupancy for use, satisfactory final inspection (if new construction), evidence of appropriate hazard insurance, evidence of flood insurance as appropriate, master policy insurance certificate (if applicable in the case of condominiums), termite inspection report, radon test, well water test report and septic inspection report.

14. **OTHER CONDITIONS:** _____

15. **ACCEPTANCE OF COMMITMENT:** Please indicate your acceptance of this Commitment by signing it and returning it to us with the Commitment Fee in the amount of \$ _____ by _____, _____.

Applicant's Initials: _____

Vermont Commitment Letter

BY: _____ **DATE:** _____ **Telephone #:** _____

If you sign this commitment, and you do not close this loan in accordance with the described terms, you may lose some or all of the fees or charges you have paid.

I/We hereby accept this Commitment and all conditions set forth therein and agree to proceed with the closing of the loan. I/We have received a duplicate original of this document.

Applicant Date

Applicant Date

Applicant Date

Applicant Date