

# Notice to Borrowers I

Please initial each section indicating that you have read and understand the information.

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**NOTICE TO APPLICANT OF RIGHT TO RECEIVE COPY OF APPRAISAL REPORT:** 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. If you want a copy of the appraisal report, contact: Processing Manager, Surety Financial Services 15060 Ventura Boulevard, Suite 380, Sherman Oaks CA 91403. Your signature below acknowledges your receipt of this notice.

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**STATEMENT OF OCCUPANCY:** The undersigned buyer understands that he/she must occupy the property if purchased under FHA/VA regulations and hereby certifies that he/she will occupy said property.

Property Address: \_\_\_\_\_

I/We intend to occupy the property.  I/We intend to rent the property.

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**ENERGY EFFICIENT MORTGAGE PILOT PROGRAM:** Section 513 of the Housing and Community Development Act of 1992 requires the US Department of Housing and Urban Development (HUD) through the Federal Housing Administration (FHA) to establish a pilot program to provide mortgage insurance for Energy Efficient Mortgages. The property you are purchasing or refinancing may be eligible for this pilot program. The law requires that you be informed of this program and that you acknowledge by signing this statement that you understand the benefits of this program.

**WHAT IS AN ENERGY EFFICIENT MORTGAGE?** An Energy Efficient Mortgage or EEM recognizes the energy savings of a home. It allows the homebuyer (or homeowner if it is a refinance) to qualify for a larger mortgage to finance the construction or installation of improvements to a home that will increase the home's energy efficiency. Because the home will be more energy efficient after installation of the energy saving improvements, the family can devote more of its income to the mortgage payments.

**HOW DO I APPLY FOR AN EEM?** When you apply for your mortgage loan, tell your lender that you are interested in an EEM. You or the lender must then have the home inspected and rated by a home energy rating organization. Many utility companies and other organizations perform these energy inspections and ratings. The home energy rating organization will determine the energy use of the home and recommend the improvements that may save energy. For example, the inspection may show that adding additional insulation, replacing an old furnace or other similar improvements will increase the energy efficiency of the home. If these improvements will save you more money than it costs to install them, then the costs of the improvements (up to certain dollar limits) may be financed into your mortgage.

**WHERE CAN I GET MORE INFORMATION ABOUT AN EEM?** Ask your real estate broker, mortgage lender, utility company or state energy office for more information about an EEM.

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**NOTICE TO APPLICANTS REGARDING NON -REFUNDABLE FEES:** The review and processing of your loan application requires Surety Financial Services to incur certain expenses, regardless of the outcome of your application. We collect a deposit based on the expected fees for your appraisal and credit report. If we obtain a credit report or appraisal your deposit will be applied to the cost of those reports and will not be refunded to you should your loan application be declined by the lender(s) or canceled by you or an agent working on your behalf.

Estimated Appraisal Fees: \$ \_\_\_\_\_

Estimated Credit Report Fees: \$ \_\_\_\_\_

*Total Prepaid Fees:* \$ \_\_\_\_\_

If your loan officer does not collect these fees from you at application, and incurs credit report and appraisal costs during the processing of your loan application, and your transaction does not close for whatever reason, you will be responsible for these charges. Actual fees for these above items are not limited to the amounts of the deposit collected, the additional amounts will be collected through escrow or billed to you directly.

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Signature

\_\_\_\_\_  
Date

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Signature

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Date