

MORTGAGE LOAN DISCLOSURE STATEMENT – GOOD FAITH ESTIMATE (RE883)
INFORMATIONAL SHEET

WHEN TO USE THIS FORM

This form is typically used when the broker wishes to combine the disclosures required under the Real Estate Law with the Good Faith Estimate disclosures made pursuant to the Real Estate Settlement Procedures Act (RESPA).

TRADITIONAL LOAN PRODUCTS – This form may be used when the loan product being offered to the consumer ***DOES NOT*** allow the borrower to defer repayment of principal or interest. Each payment includes the full amount of interest and principal due for that installment. ***THIS FORM CANNOT BE USED FOR LOAN PRODUCTS THAT ALLOW THE BORROWER TO DEFER REPAYMENT OF INTEREST OR PRINCIPAL AND ARE SECURED BY A 1 – 4 UNIT RESIDENTIAL PROPERTY. FOR THOSE LOANS THE MORTGAGE LOAN DISCLOSURE STATEMENT/GOOD FAITH ESTIMATE – NONTRADITIONAL MORTGAGE PRODUCT (ONE TO FOUR UNIT RESIDENTIAL UNITS) - RE885 MUST BE USED. REFER TO THE DEFINITION OF A NONTRADITIONAL MORTGAGE PRODUCT IN COMMISSIONER’S REGULATION 2842 AVAILABLE ON THE DRE WEB SITE AT WWW.DRE.CA.GOV.***

SECURED BY REAL PROPERTY – This form may be used when the loan is secured by real property (raw or unimproved land or parcels, commercial, multi-family, 1 to 4 unit residential or any other interest in real property).

TIPS ON COMPLETING THIS FORM

Page 1 – Compensation to Broker (Not Paid Out of Loan Proceeds) – This section is completed to disclose any compensation received by the broker from a lender in the form of a yield/spread premium, service release premium or any other rebate or compensation.

Page 2 - Section II – General Information About Loan – The form contains four (4) boxes for the purpose of providing loan terms and information to the consumer. Depending on the loan product being offered to the consumer, select the appropriate box and complete the specified information in that box. The Real Estate Law requires the disclosure of all material terms of the loan. In situations where the proposed loan terms cannot be accommodated in one of the four (4) boxes, an addendum, signed and dated by the borrower(s) and the broker (or broker’s representative), should be attached to the form. The addendum must include all material information on the proposed loan. A real estate broker who wishes to use a form other than the approved RE883 must obtain the prior written approval of the Department.

IF THE LOAN PRODUCT IS A NONTRADITIONAL MORTGAGE LOAN PRODUCT YOU ARE USING THE WRONG FORM. THE RE885 MUST BE USED.

Other than the non-applicable boxes in Section II do not leave any spaces or lines blank.

After completion, the form must be signed by the broker or broker’s representative and provided to the borrower within THREE (3) DAYS OF RECEIVING THE BORROWER’S COMPLETED WRITTEN LOAN APPLICATION.

A COPY OF THE FORM SIGNED BY THE BORROWER MUST BE RETAINED BY THE BROKER FOR A PERIOD OF THREE (3) YEARS.

MORTGAGE LOAN DISCLOSURE STATEMENT/GOOD FAITH ESTIMATE

RE 883 (Rev. 8/08)

Borrower's Name(s): _____

Real Property Collateral: The intended security for this proposed loan will be a Deed of Trust on (street address or legal description) _____

This joint Mortgage Loan Disclosure Statement/Good Faith Estimate is being provided by _____, a real estate broker acting as a mortgage broker, pursuant to the Federal Real Estate Settlement Procedures Act (RESPA) if applicable and similar California law. In a transaction subject to RESPA, a lender will provide you with an additional Good Faith Estimate within three business days of the receipt of your loan application. You will also be informed of material changes before settlement/close of escrow. The name of the intended lender to whom your loan application will be delivered is:

Unknown _____ (Name of lender, if known)

GOOD FAITH ESTIMATE OF CLOSING COSTS

The information provided below reflects estimates of the charges you are likely to incur at the settlement of your loan. The fees, commissions, costs and expenses listed are estimates; the actual charges may be more or less. Your transaction may not involve a charge for every item listed and any additional items charged will be listed. The numbers listed beside the estimate generally correspond to the numbered lines contained in the HUD-1 Settlement Statement which you will receive at settlement if this transaction is subject to RESPA. The HUD-1 Settlement Statement contains the actual costs for the items paid at settlement. When this transaction is subject to RESPA, by signing page three of this form you are also acknowledging receipt of the HUD Guide to Settlement Costs.

HUD-1	Item	Paid to Others	Paid to Broker
800	<i>Items Payable in Connection with Loan</i>		
801	Lender's Loan Origination Fee	\$ _____	\$ _____
802	Lender's Loan Discount Fee	\$ _____	\$ _____
803	Appraisal Fee	\$ _____	\$ _____
804	Credit Report	\$ _____	\$ _____
805	Lender's Inspection Fee	\$ _____	\$ _____
808	Mortgage Broker Commission/Fee	\$ _____	\$ _____
809	Tax Service Fee	\$ _____	\$ _____
810	Processing Fee	\$ _____	\$ _____
811	Underwriting Fee	\$ _____	\$ _____
812	Wire Transfer Fee	\$ _____	\$ _____
	_____	\$ _____	\$ _____
900	<i>Items Required by Lender to be Paid in Advance</i>		
901	Interest for ____ days at \$ _____ per day	\$ _____	\$ _____
902	Mortgage Insurance Premiums	\$ _____	\$ _____
903	Hazard Insurance Premiums	\$ _____	\$ _____
904	County Property Taxes	\$ _____	\$ _____
905	VA Funding Fee	\$ _____	\$ _____
	_____	\$ _____	\$ _____
1000	<i>Reserves Deposited with Lender</i>		
1001	Hazard Insurance: ____ months at \$ _____ /mo.	\$ _____	\$ _____
1002	Mortgage Insurance: ____ months at \$ _____ /mo.	\$ _____	\$ _____
1004	Co. Property Taxes: ____ months at \$ _____ /mo.	\$ _____	\$ _____
	_____	\$ _____	\$ _____
1100	<i>Title Charges</i>		
1101	Settlement or Closing/Escrow Fee	\$ _____	\$ _____
1105	Document Preparation Fee	\$ _____	\$ _____
1106	Notary Fee	\$ _____	\$ _____
1108	Title Insurance	\$ _____	\$ _____
	_____	\$ _____	\$ _____
1200	<i>Government Recording and Transfer Charges</i>		
1201	Recording Fees	\$ _____	\$ _____
1202	City/County Tax/Stamps	\$ _____	\$ _____
	_____	\$ _____	\$ _____
1300	<i>Additional Settlement Charges</i>		
1302	Pest Inspection	\$ _____	\$ _____
	_____	\$ _____	\$ _____
Subtotals of Initial Fees, Commissions, Costs and Expenses		\$ _____	\$ _____
Total of Initial Fees, Commissions, Costs and Expenses		\$ _____	

Compensation to Broker (Not Paid Out of Loan Proceeds):
Mortgage Broker Commission/Fee \$ _____
Any Additional Compensation from Lender No Yes \$ _____
(Approximate Yield Spread Premium or Other Rebate)

ADDITIONAL REQUIRED CALIFORNIA DISCLOSURES

I. Proposed Loan Amount: \$ _____

Initial Commissions, Fees, Costs and Expenses Summarized on Page 1: \$ _____

Payment of Other Obligations (List):

Credit Life and/or Disability Insurance (see V below) \$ _____

_____ \$ _____

_____ \$ _____

Subtotal of All Deductions: \$ _____

Estimated Cash at Closing To You That you must pay \$ _____

II. General Information About Loan

1. Proposed loan term Years Months

<input type="checkbox"/> FIXED RATE LOAN Fixed rate loan _____% payable at \$ _____ month	<input type="checkbox"/> ADJUSTABLE RATE LOAN (EXAMPLE 6-MONTH ARM; 1-YEAR ARM) Proposed interest rate: _____% Fully indexed rate _____% Proposed monthly payment \$ _____ Maximum interest rate _____% Interest rate can increase _____% each _____ months Maximum loan payment can be \$ _____ after _____ months
<input type="checkbox"/> INITIAL FIXED RATE LOAN (EXAMPLE 2/28; 3/1; 5/1) Proposed initial fixed interest rate: _____% Initial fixed interest rate in effect for _____ months Proposed initial monthly payment \$ _____ Adjustable interest rate of _____% will begin after _____ fixed rate period ends Monthly payment can increase to \$ _____ after fixed rate period ends Fully indexed rate _____% Maximum interest rate _____% Interest rate can increase _____% each _____ months Maximum loan payment can be \$ _____ after _____ months	<input type="checkbox"/> INITIAL ADJUSTABLE RATE LOAN (EXAMPLE LOW ENTRY RATE ARM) Proposed initial adjustable interest rate _____% Initial interest rate in effect for _____ months Proposed monthly payment \$ _____ Fully indexed rate _____% Maximum interest rate _____% Interest rate can increase _____% each _____ months Monthly payment can increase to \$ _____ after initial adjustable rate period ends Maximum loan payment can be \$ _____ after _____ months

2. This loan is based on limited or no documentation of your income and/or assets and may have a higher interest rate, or more points or fees than other products requiring documentation: No Yes.

3. The loan is subject to a balloon payment: No Yes. If Yes, the following paragraph applies and a final balloon payment of \$ _____ will be due on ___/___/___ [estimated date (month/day/year)].

NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS, FEES, AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.

III. Prepayments: The proposed loan has the following prepayment provisions:

- No prepayment penalty (you will not be charged a penalty to pay off or refinance the loan before maturity)
- You will have to pay a prepayment penalty if the loan is paid off or refinanced in the first _____ years. The prepayment penalty could be as much as \$ _____. Any prepayment of principal in excess of 20% of the
 - original loan balance or
 - unpaid balance
 for the first _____ years will include a penalty not to exceed _____ months interest at the note interest rate but not more than the interest you would be charged if the loan were paid to maturity.
- Other – you will have to pay a prepayment penalty if the loan is paid off or refinanced in the first _____ years as follows:

IV. Taxes and Insurance:

There will be an impound (escrow) account which will collect approximately \$ _____ a month in addition to your principal and interest payments for the payment of county property taxes* hazard insurance mortgage insurance flood insurance other _____.

If there is no impound (escrow) account or if your escrow (impound) account does not include one or more of the payments described above, you will have to plan for the payment of county property taxes * hazard insurance mortgage insurance flood insurance other _____ of approximately \$ _____ per year.

***In a purchase transaction, county property taxes are calculated based on the sales price of the property and may require the payment of an additional (supplemental) tax bill from the county tax authority by your lender (if escrowed) or you (if not escrowed).**

V. Credit Life and/or Disability Insurance: The purchase of credit life and/or disability insurance by a borrower is NOT required as a condition of making this proposed loan.

VI. Other Liens: Are there liens currently on this property for which the borrower is obligated? No Yes
If Yes, describe below:

<i>Lienholder's Name</i>	<i>Amount Owing</i>	<i>Priority</i>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Liens that will remain or are anticipated on this property after the proposed loan for which you are applying is made or arranged (including the proposed loan for which you are applying):

<i>Lienholder's Name</i>	<i>Amount Owning</i>	<i>Priority</i>

NOTICE TO BORROWER: Be sure that you state the amount of all liens as accurately as possible. If you contract with the broker to arrange this loan, but it cannot be arranged because you did not state these liens correctly, you may be liable to pay commissions, costs, fees, and expenses even though you do not obtain the loan.

VII. Article 7 Compliance: If this proposed loan is secured by a first deed of trust in a principal amount of less than \$30,000 or secured by a junior lien in a principal amount of less than \$20,000, the undersigned licensee certifies that the loan will be made in compliance with Article 7 of Chapter 3 of the Real Estate Law.

- A. This loan may will will not be made wholly or in part from broker controlled funds as defined in Section 10241(j) of the Business and Professions Code.
- B. If the broker indicates in the above statement that the loan “may” be made out of broker-controlled funds, the broker must inform the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds.

VIII. NOTICE TO BORROWER: THIS IS NOT A LOAN COMMITMENT. Do not sign this statement until you have read and understood all of the information in it. All parts of this form must be completed before you sign it. Borrower hereby acknowledges the receipt of a copy of this statement.

<i>Name of Broker</i>	<i>License #</i>		<i>Broker's Representative</i>	<i>License #</i>
<i>Broker's Address</i>				
<i>Signature of Broker</i>	<i>Date</i>	OR	<i>Signature of Representative</i>	<i>Date</i>
<i>Borrower</i>	<i>Date</i>		<i>Borrower</i>	<i>Date</i>

Department of Real Estate license information telephone number: (916) 227-0931, or check license status at www.dre.ca.gov