State of California
Department of Real Estate
*Serving Californians Since 1917*

# Mortgage Loan Disclosure Statement (Borrower)

RE 882 (Rev. 6/09)

| Name of Broker | Business Address |
|---|---|
| | |

I. SUMMARY OF LOAN TERMS
A. PRINCIPAL AMOUNT $_____
B. ESTIMATED DEDUCTIONS FROM PRINCIPAL AMOUNT
1. Costs and Expenses (See Paragraph III-A) $_____
2. Broker Commission/Origination Fee (See Paragraph III-B) $_____
3. Lender Origination Fee/Discounts (See Paragraph III-B) $_____
4. Additional compensation will/may be received from lender not deducted from loan proceeds.
☐ YES $ *(if known)* NO ☐
5. Amount to be Paid on Authorization of Borrower (See Paragraph III-C) $_____
C. ESTIMATED CASH PAYABLE TO BORROWER (A LESS B) $_____

II. GENERAL INFORMATION ABOUT LOAN
A. PROPOSED LOAN INFORMATION
1. Proposed loan term ☐ Years ☒ Months

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

B. This loan will be evidenced by a promissory note and secured by a deed of trust on property identified as (street address or legal description):

C. 1. Liens presently against this property (do not include loan being applied for):

| *Nature of Lien* | *Priority* | *Lienholder's Name* | *Amount Owing* |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

2. Liens that will remain against this property after the loan being applied for is made or arranged (include loan being applied for):

| *Nature of Lien* | *Priority* | *Lienholder's Name* | *Amount Owing* |
|---|---|---|---|
| | | | |

**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, fees and expenses even though you do not obtain the loan.

D. 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:

E. 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).**

F. Late Charges: ☐ YES, see loan documents ☐ NO

G. The purchase of credit life and/or credit disability insurance by a borrower is not required as a condition of making this loan.

III. DEDUCTIONS FROM LOAN PROCEEDS

A. Estimated Maximum Costs and Expenses of Arranging the Loan to be Paid Out of Loan Principal

| PAYABLE TO: | Broker | Others |
|---|---|---|
| 1. Appraisal fee | | |
| 2. Escrow fee | | |
| 3. Title insurance policy | | |
| 4. Notary fees | | |
| 5. Recording fees | | |
| 6. Credit investigation fees | | |
| 7. Other costs and expenses: | | |
| | | |
| | | |
| Total Costs and Expenses | $ | |

B. Compensation

1. Broker Commission/Origination Fee $_____
2. Lender Origination Fee/Discounts $_____

C. Estimated Payment to be Made Out of Loan Principal on Authorization of Borrower

| PAYABLE TO: | Broker | Others |
|---|---|---|
| 1. Fire or other hazard insurance premiums | | |
| 2. Credit life or disability insurance premiums (See Paragraph II-G) | | |
| 3. Beneficiary statement fees | | |
| 4. Reconveyance and similar fees | | |
| 5. Discharge of existing liens against property | | |
| | | |
| | | |
| 6. Other: | | |
| | | |
| Total to be Paid on Authorization of Borrower | $ | |

Article 7 Compliance: If this loan is secured by a first deed of trust on dwellings in a principal amount of less than $30,000 or secured by a junior lien on dwellings 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.

»This loan may/will/will not *(delete two)* be made wholly or in part from broker-controlled funds as defined in Section 10241(j) of the Business and Professions Code.

IV. **NOTICES TO BORROWER:**

1. This disclosure statement may be used if the broker is acting as an agent in arranging the loan by a third person or if the loan will be made with funds owned or controlled by the broker. If the broker indicates in the Article 7 compliance immediately above, that the loan "may" be made out of broker-controlled funds, the broker must notify the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds.
2. 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. Borrower hereby acknowledges the receipt of a copy of this statement.

_____ _____

*Name of Broker* *License #* *Broker's Representative* *License #*

_____

*Broker's Address*

_____ OR _____

*Signature of Broker* *Date* *Signature of Representative* *Date*

_____

**- BORROWER - - DATE -**

_____

**- BORROWER - · DATE -**

**Department of Real Estate license information telephone number: 877-373-4542, or check license status at www.dre.ca.gov**