

United States Department of Agriculture
Rural Housing Service

MORTGAGE LOAN COMMITMENT

TO:

DATE:

It is a pleasure to notify you that your application for a Section 502 Loan Section 504 Loan from the Rural Housing Service (RHS) has been approved in the amount of \$ _____ subject to the matters set forth below. This loan will be secured by one of the following security instruments: Promissory Note Only Real Estate Mortgage Deed of Trust on the property located at:

INTEREST RATE IN EFFECT AT TIME OF LOAN APPROVAL: _____ percent

(Note: The effective interest rate for your loan will be the lower of the interest rate in effect at the time of loan approval and obligation or loan closing.)

REPAYMENT TERMS: Based on the interest rate stated above, the loan is to be repaid in _____ equal, monthly installments of principal and interest in the amount of \$ _____, with the first installment due approximately _____ days after date of settlement. The dollar amount of the monthly payments stated above may be reduced based on the amount of subsidy for which you may be eligible.

REQUIRED FEES

	<u>Amount</u>	<u>Date Paid</u>	<u>Amount to be Paid at Closing</u>
<input type="checkbox"/> Credit Report Fee	\$		
<input type="checkbox"/> Appraisal Fee	\$		
<input type="checkbox"/> Tax Service Fee	\$		
<input type="checkbox"/> Inspection Fee	\$		
<input type="checkbox"/> Application Fee	\$		
<input type="checkbox"/> Assumption Fee	\$		

EVIDENCE OF TITLE: The following evidence of title is to be provided to RHS and must indicate no liens, encumbrances, or any adverse covenants or conditions to title unless approved by RHS. The evidence of title must be issued from a firm or source, and in a form, acceptable to RHS.

- Mortgage Title Insurance Policy
- Attorneys Opinion of Title

You will be charged for the cost of providing such title and the cost of recording documents, all which will be ordered by RHS unless requested otherwise.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

ADDITIONAL REQUIRED ITEMS OR CONDITIONS: All items checked below apply:

- Signed sales contract - required.
- Plat of survey, acceptable to RHS, showing the improvements to be properly within the lot lines and no encroachments on other properties - required.
- The attached list of repairs is to be completed prior to settlement or an escrow in the amount of \$ _____ will be held until the work is satisfactorily completed.
- We will fully disburse the loan proceeds upon completion of the building, subject to a satisfactory compliance inspection report by licensed appraiser and a certificate of occupancy from the governing municipality.
- A contractor’s statement and supporting waiver of liens are to be provided.
- Flood insurance is mandatory.
- Fire and extended Coverage Insurance: At the time of settlement we will require an original insurance policy containing fire and extended coverage insurance in an amount at least equal to that of the mortgage through a company acceptable to RHS, and a receipt showing premiums paid in advance for one year. The insurance policy shall also contain a standard mortgage clause in favor of the United States of America acting through the Rural Housing Service, or successor agency, United States Department of Agriculture.
- Tax and Insurance Payments: Monthly deposits, and initial deposits as determined by Lender, are required to cover the payment of estimated annual real estate taxes, special assessments and hazard, flood, and other insurance if applicable.
- Special Assessments: All special assessment installments due prior to closing, must be paid in full prior to, or at time of settlement.
- Documentation: The mortgage or deed of trust, note and other pertinent loan documents will be provided by RHS and must be signed by all applicants that are to be contractually liable under this obligation. Further, the mortgage or deed of trust, must also be signed by any non-applicant spouses if their signature is required under state law to create a valid lien, pass clear title, or waive inchoate rights to property. Note: Samples of loan documents are available upon request.
- Other

COMMITMENT ISSUED BY:

Loan Approval Official: _____

Date: _____

Note: Date of loan approval will be the same as date of obligation.

This loan is approved subject to the availability of funds and other conditions required by RHS. If you have any questions, contact the loan approval officer whose name appears above at _____ .

Cancellation: RHS reserves the right to terminate this commitment at any time prior to the settlement of the loan in the event of an adverse change in your personal or financial status, or the improvements on the property are damaged by fire or other casualty, or because of any materially false or incorrect information you directly or indirectly provided to RHS.

This commitment will expire on _____ , _____. If you wish to accept this commitment for a loan, you must sign and date this form and return it to the following address prior to the expiration date previously stated: _____

If this commitment is not received by the RHS office whose address appears above on or before the previously stated expiration date, your loan application may be canceled.

I hereby certify to the following and accept the terms and conditions of this commitment:

- I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to RHS any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.
- The information submitted on the application for assistance and supporting documentation is correct to the best of my knowledge. I understand that failure to fully disclose accurate and truthful financial information may result in the denial or termination of program assistance now or in the future. I further understand that whoever knowingly and willfully falsifies, conceals, or covers up a material fact, or makes false, fictitious, or fraudulent statements or entry, shall be fined or imprisoned not more than 5 years, or both, as provided under Section 1001 of Title 18, United States Code.

_____	Date: _____
_____	Date: _____
_____	Date: _____
_____	Date: _____
_____	Date: _____

Unlawful discrimination. The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), or because all or part of the applicant's income derives from any public assistance program. Department of Agriculture regulations provide that no agency, officer, or employee of the United States Department of Agriculture shall exclude from participation in, deny the benefits of, or subject to discrimination any person on the basis of race, color, religion, sex, age, disability, or national origin under any program or activity administered by such agency, officer, or employee. The Fair Housing Act prohibits discrimination in real estate-related transactions, or in the terms or conditions of such a transaction, because of race, color, religion, sex, disability, familial status, or national origin. If you believe you have been discriminated against for any of these reasons, you can write the Secretary of Agriculture, Washington D.C. 20250. You also cannot be denied a loan because you in good faith exercised your rights under the Consumer Credit Protection Act. If you believe you were denied a loan for this reason, you should contact the Federal Trade Commission, Washington, D.C. 20580.