



CONVENTIONAL PRE-APPLICATION DISCLOSURE

I ("the applicant") understand that I am required to pay you ("the lender") the following fees at application.

Appraisal Fee:

- 1 Family \$ 300.00
- 2 Family \$ 500.00
- 3 Family \$ 550.00
- 4 Family \$ 575.00

Credit Report Fee:

- Single Borrower: \$ 18.00
- Joint Borrowers: \$ 30.00

Application Fee:

\$ 300.00

Processing Fee: \$ 275.00 (N.Y. Loans Only)

❖ The property appraisal fee and the credit report fee are estimates of the actual cost of the services. Should the actual costs exceed the estimate, I understand that I will be billed and will pay the shortfall at or prior to closing. The credit report and appraisal fees are non-refundable except that amounts collected in excess of the actual cost will be refunded. If the credit report and appraisal have not been done, the fees will be refunded in full.

❖ The application fee is non-refundable.

PREPAYMENT PENALTIES:

I understand that certain mortgage products impose a prepayment penalty on the borrower. You will disclose the amount of, or the formula for calculating, the prepayment penalty, and the terms of the prepayment penalty, if any, as soon as you know, but no later than the issuance of the commitment, if any, for the loan product that I have selected.

APPLICATION PROCESS:

I understand that the estimated time for the Lender to issue a commitment is 30 to 45 calendar days from the date of my application. If the Lender subsequently determines that the estimated time is unrealistic, the Lender may return the application fee and all applicable fees paid and offer me the opportunity to reapply subject to a new estimate.

ADDITIONAL FEES:

I authorize the Lender to charge a fee up to \$50.00 for overnight delivery, messenger or other special courier fee in relation to my loan application.

INTEREST RATE:

Your interest rate will be set by the lender three (3) days prior to closing unless you chose to lock in prior to that and adhere to our Rate Lock Guidelines. You will need to complete our Lock-In Agreement and pay a lock-in fee of 1/2% of your loan amount. This fee will be refunded when your loan closes in accordance with our commitment terms and conditions.

APPLICATION QUESTIONS:

I understand that I may address questions or comments about my application to the company President at 41 Grand Avenue, River Edge, N.J. 07661. I may also call you at 1-800-475-0123 or by calling (201) 833-0123 collect at any time during normal office hours.

By signing below, I acknowledge receipt of a copy of this pre-application disclosure-fee agreement, the Good Faith Estimate, Reg-Z/Truth in Lending, HUD booklet, and CHARM booklet where applicable.

Borrower _____

Date _____

CoBorrower _____

Date _____



BORROWERS CERTIFICATION & AUTHORIZATION

Certification

The undersigned certify the following:

1. I/We have applied for a mortgage loan from APPROVED FUNDING CORP. In applying for the loan.

I/We completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/We omit any pertinent information.
2. I/We understand and agree that APPROVED FUNDING CORP. Reserves the right to change the mortgage loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.
3. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.

Authorization to Release Information

To Whom It May Concern:

1. I/We have applied for a mortgage loan from APPROVED FUNDING CORP. As part of the application process, APPROVED FUNDING CORP. and the mortgage guaranty insurer (if any), may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to APPROVED FUNDING CORP., and to any investor to whom APPROVED FUNDING CORP. may sell my mortgage, and to the mortgage guaranty insurer (if any), any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. APPROVED FUNDING CORP. or any investor that purchases the mortgages, or the mortgage guaranty insurer, may address this authorization to any party named in the loan application.
4. A copy of this authorization may be acceptable as an original.
5. Your prompt reply to APPROVED FUNDING CORP. or the investor that purchased the mortgage, or the mortgage guaranty insurer (if any) is appreciated.
6. Mortgage guaranty insurer (if any): _____

Borrower _____

Date _____

CoBorrower _____

Date _____



NOTICE TO BORROWER(S)

- A. PLEASE BE SURE THAT YOU HAVE CAREFULLY READ AND THAT YOU UNDERSTAND THE CONTENTS OF THE ATTACHED AGREEMENT FOR MORTGAGE SERVICES AND THE MORTGAGE LOAN DESCRIPTION NOTICE, ANY ADDENDUM THERETO, IN THEIR ENTIRETY BEFORE SIGNING SAME. "I" SHALL MEAN "I" AND/OR "WE".
- B. **DEFINITIONS**
 For the purpose of the attached Agreement for Mortgage Services and its addendum, the Mortgage Loan Description Notice, the following words or phrases shall be defined as follows:
 1. The term "mortgage loan" shall refer to either a mortgage loan or a co-op loan depending upon the nature of the property to be mortgaged or to be pledged as security, respectively.
 2. The term "BORROWER" shall refer to one borrower or, in the event of multiple borrowers, to all of them collectively.
- C. **YOUR RIGHTS CONCERNING THE APPRAISAL REPORT ON YOUR PROPERTY**
 IF YOU HAVE APPLIED FOR A LOAN TO BE SECURED BY RESIDENTIAL PROPERTY YOU HAVE THE RIGHT TO A COPY OF THE APPRAISAL REPORT PREPARED IN CONNECTION WITH YOUR APPLICATION FOR CREDIT, PROVIDED THAT, IF REQUIRED BY THE CREDITOR, YOU HAVE PAID OR WILL PAY FOR THE APPRAISAL. IF THE PROPERTY WHICH WOULD SECURE THE CREDIT TRANSACTION IS NOT A ONE-TO-FOUR FAMILY DWELLING, AND THE CREDIT TRANSACTION INVOLVES PURCHASE MONEY FINANCING OR A REFINANCE OF PURCHASE OF MONEY DEBT THE CREDITOR WILL PROVIDE YOU WITH A COPY OF YOUR APPRAISAL REPORT UPON REQUEST, IF YOU PAY THE COST OF THE APPRAISAL PLUS ALL APPLICABLE COSTS OF DUPLICATION IF APPLICABLE. YOU CAN REQUEST A COPY OF THE REPORT BY WRITING OR CALLING US DURING REGULAR BUSINESS HOURS.
- D. **REQUIRED INFORMATION AND/OR DOCUMENTATION**
 Due to the complex nature of the mortgage loan application process, it is quite likely that throughout the processing of your mortgage loan application AFC will require you to furnish additional information and/or documentation. We apologize in advance for any inconvenience this may cause you and we ask for your complete cooperation.
- E. You may be represented by legal counsel of your own choosing at any or all stages of this mortgage loan transaction. AFC recommends that you secure your own legal counsel.
- F. AFC is a mortgage banker licensed by the States of New York, New Jersey, Connecticut and Florida. In addition to acting in the capacity of a mortgage banker, AFC will occasionally act in the capacity of a mortgage broker. However, due to fluctuations in interest rates and other market conditions beyond AFC's control, it is often not possible to determine in advance which of the aforementioned capacities will apply with regard to a specific mortgage loan application.
- G. If this disclosure is part of a junior lien disclosure (2nd Mortgage), please note the following: YOU SHOULD CHECK WITH YOUR LEGAL ADVISOR AND WITH OTHER MORTGAGE LIEN HOLDERS AS WHETHER ANY PRIOR LIENS CONTAIN ACCELERATION CLAUSES WHICH WOULD BE ACTIVATED BY A JUNIOR ENCUMBRANCE.

In the event that AFC ultimately acts in the capacity of a mortgage broker with regard to the subject mortgage loan of the attached Agreement for Mortgage Services, AFC will not actually fund said mortgage loan. The lender of record will be one or more of AFC's investors as defined in the attached Agreement for Mortgage Services. In such an event, the interest rate, points, fees or other consideration are due to AFC pursuant thereto. Said consideration will be disclosed to you upon your written request for the information.

Please acknowledge that you have read and that you understand this Notice prior to reading the attached Agreement for Mortgage Services and its addendum, the Mortgage Loan Description Notice.

Borrower _____

Date _____

CoBorrower _____

Date _____



TRANSFER OF SERVICING DISCLOSURE

Notice to Mortgage Loan Applicants” The right to collect your mortgage loan payments may be its contents transferred. Federal law gives you certain rights. Read this statement and sign it only if you understand.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.) you have certain rights under the Federal law. This statement tells you about those rights. It also tells you what the changes are that the servicing for this loan may be transferred to a different loan servicer. “Servicing” refers to collecting your principal, interest and escrow account payments. If your loan servicer changes, there are certain procedures that must be followed. This statement generally explains those procedures.

Transfer Practices and Requirement

If the servicing of your loan is assigned, sold or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the date of the transfer. The new loan servicer must also send you notice within 15 days after the date of the transfer. Also, a notice of prospective transfer may be provided to you at settlement (when title to your new property is transferred to you) to satisfy these requirements. The law allows a delay in the time (not more than 30 days after a transfer) for services to notify you under certain limited circumstances, when your servicer is changed abruptly. This exception applies only if your servicer is fired for cause, is in bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by a Federal agency.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, the name, address, and toll-free or collect call telephone number of the new servicer, and the toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions about the transfer of servicing. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late and a late fee may not be imposed on you.

Complaint Resolution

Section 6 of RESPA (12 U.S.C.2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a “qualified written request” to your loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 business days of receipt of your request. A “qualified written request” is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reasons for the request. Not later than 60 business days after receiving your request, your servicer must make any appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During this 60-day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

Damages and Costs

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where services are shown to have violated the requirements of the Section.

Servicing Transfer Estimated by Original Lender

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:
 We are able to service your loan and we will service your loan. However, we may assign, sell or transfer the servicing of your loan sometime while the loan is outstanding.
 We can service mortgage loans, and we presently intend to assign, sell or transfer the servicing of your loan sometime while the loan is outstanding, You will be informed about your servicer.

2. For all the mortgage loans that we make in the 12-month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between:
 0 to 25% 26 to 50% 51 to 75% 76 to 100%

3. This is our record of transferring the servicing of the mortgage loans we have made in the past (rounded to nearest quartile - 0%, 25%, 50%, or 100%): 2003 - NA 2002- NA 2001 - NA

This information does not include assignments, sales or transfer to affiliates or subsidiaries. If the servicing of your loan is transferred to an affiliate or subsidiary in the future, you will be notified in accordance with RESPA.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT(S)

I / we have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below.

Borrower _____ Date _____

CoBorrower _____ Date _____



Good Faith Estimate List of our Service Providers

THIS FORM IS USED WHEN A PARTICULAR PROVIDER OF SERVICE IS REQUIRED.

Listed below are providers of service that we require you to use. The charges indicated in the Good Faith Estimate are based upon the corresponding charges of the below designated providers:

Settlement Attorney: Lawrence W. Schreier, Esq. GFE/HUD Line # 803
 1838 Coney Island Avenue, Brooklyn, NY 11230 Phone (718) 336-1413
 Relationship with provider: Used often by Approved Funding in past 12 months

Settlement Attorney: Alan Rubin, Esq. GFE/HUD Line # 803
 1415 Queen Anne Road, Teaneck, NJ 07666 Phone (201) 837-1783
 Relationship with provider: Used often by Approved Funding in past 12 months

Document Preparation: DocMagic Services (Doc. Systems Inc.) GFE/HUD Line # 1105
 20501 S. Avalon Blvd. Carson, CA 90746 Phone (800) 649-1362
 Relationship with provider: Used often by Approved Funding in past 12 months

Flood Determination: Lareta Corp. (f/k/a AccuFlood) GFE/HUD Line # 811
 6551 South Revere Pkwy St # 275, Englewood, CO 80111 Phone (800) 466-3583
 Relationship with provider: Used often by Approved Funding in past 12 months

R.E. Tax Services: First American Tax Services GFE/HUD Line # 813
 333 Earle Ovington Blvd., Uniondale, NY 11553 Phone (800) 435-5667
 Relationship with provider: Used often by Approved Funding in past 12 months

Courier and Postage: Airborne Express GFE/HUD Line #1204
 P.O. Box 662, Seattle, WA 98111 Phone (800) 247-2676
 Relationship with provider: Used often by Approved Funding in past 12 months

Credit Reporting: CIS Information Services GFE/HUD Line # 804
 227 Route 206, Flanders, NJ 07836 Phone (973) 927-0225
 Relationship with provider: Used often by Approved Funding in past 12 months

Credit Reporting: Lenders Credit an affiliate of Info1 GFE/HUD Line # 804
 20929 Ventura Blvd. Woodland Hills, CA 91364 Phone (818) 226-3700
 Relationship with provider: Used often by Approved Funding in past 12 months

Property Appraisal: Superior Appraisals Inc. GFE/HUD Line # 803
 3846 Flatbush Avenue, Brooklyn, NY 11234 Phone (718) 951-1590
 Relationship with provider: Used often by Approved Funding in past 12 months

Property Appraisal: Filip Valuation GFE/HUD Line # 803
 151 Kohring Circle North, Harrington Park, NJ 07640 Phone (201) 750-7660
 Relationship with provider: Used often by Approved Funding in past 12 months

Title Searches: Madison Title Agency, LLC GFE/HUD Line 1108
 1072 Madison Avenue, Lakewood, NJ 08701 Phone (732) 905-9400
 Relationship with provider: Used often by Approved Funding in past 12 months

Title Searches: Berkshire Abstract / Bridge Abstract GFE/HUD Line 1108
 1415 Queen Anne Road, Teaneck, NJ 07666 Phone (201)837-1783
 Relationship with provider: Used often by Approved Funding in past 12 months

Borrower: _____ Date: _____

Coborrower: _____ Date: _____