

TEL: FAX:  
**COMMITMENT LETTER**

November 8, 2008

To:

RE: Loan #:  
Property: ,

Dear Applicant:

Congratulations! We are pleased to inform you that your application for a mortgage loan has been approved subject to the Terms and Conditions in this Commitment Letter. Please review this Commitment carefully, and then return one signed copy. This Commitment must be signed and returned within 5 days of receipt.

**1. TERMS OF LOAN COMMITMENT:**

Loan Amount:	\$	:	
Loan Type:			
Lien Position:			Document Expiration Date:
Term:	months		
Due In:	months		
Balloon Payment:			Index:
Prepayment Penalty:			Margin:
			1st Rate Change Cap:
			1st Change Period:
<u>Monthly Payment &amp; Required Escrows:</u>			
Periodic Rate Change Cap:			Periodic Change Freq:
Real Estate Taxes			Minimum Life Rate:
Mortgage Insurance			
Hazard Insurance			
Flood Insurance			Negative Amortization:

Someone buying your house assume the remainder of your loan on the original terms. Assumability may be available to credit worthy individuals and may be tied to intended occupancy/use of property.

**2. CONDITIONS TO BE MET:**

The items listed on the attached "Standard Conditions" & "Outstanding Underwriting Conditions" pages must be met to the Lender's satisfaction at least 5 business days before the requested closing date or the closing may be delayed.

If you have any questions, do not hesitate to contact:  
Sincerely,

\_\_\_\_\_  
Please SIGN AND DATE this Commitment Letter and return it to via one of the following:

E-Mail: \_\_\_\_\_ Mail: \_\_\_\_\_  
Fax: \_\_\_\_\_

**Your signature constitutes your acceptance of the Terms and Conditions stated herein.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

TEL: FAX:

RE: ,            Loan #:

**STANDARD CONDITIONS****PRE-APPROVAL CONDITIONS (if applicable)**

If you have not yet selected a property, please note that the following conditions apply to your approval and must be provided as soon as you do select a property in addition to the conditions listed on page 3:

1. Fully executed Purchase and Sale Agreement including all addenda
2. to obtain satisfactory property appraisal
3. All required disclosures to be signed by all applicants and returned

**CONDOMINIUM/PLANNED UNIT DEVELOPMENT (PUD) APPROVAL**

If the subject property is a unit in a condominium or PUD, it must meet all investor (e.g. FNMA, FHLMC, FHA, VA, other) requirements for an approved project as applicable.

**FLOOD ZONE CERTIFICATION**

If the Life of Loan Flood Certificate indicates the dwelling is located in either an SFHA Zone A or V, flood insurance will be required. (See attached INSURANCE COVERAGE SUMMARY page for details on flood insurance requirements.)

( to obtain)

**\*\*\*\* Flood insurance is not required as a condition of this loan approval \*\*\*\***

**PROPERTY INSURANCE COVERAGE**

Hazard Insurance (& Flood Insurance, if applicable) is required and must be obtained and maintained for the life of the loan. You cannot be required to obtain or maintain a policy in excess of the replacement cost of the improvements on the property securing the loan. The attached INSURANCE COVERAGE SUMMARY is to be given to your insurance agent or insurer to ensure full compliance of your coverage. Acceptable evidence of adequate insurance coverage must be presented at the closing (policy or binder).

**MORTGAGE INSURANCE**

Mortgage Insurance protects the lender in the event of the borrowers' default and should not be confused with credit life or disability insurance. It is required when the loan amount exceeds 80% of the property value (lower of purchase price or appraised value). It may also be required on certain loan programs when the loan amount is less than or equal to 80% of value.

( to apply for coverage, when applicable)

**\*\*\*\* For this loan approval, mortgage insurance be required \*\*\*\***

**ESCROW IMPOUND ACCOUNT**

At closing, an escrow impound account will be established and an initial escrow deposit will be required in accordance with RESPA.

**Real Estate Taxes**  
**Mortgage Insurance**  
**Hazard Insurance**  
**Flood Insurance**

**TITLE INSURANCE**

Title insurance protects against certain losses and claims arising from defects in the title. It is a one-time premium. Lender's title insurance, which covers the lender's interests only, is required and will be obtained by the closing attorney (or may be obtained by the borrower from an acceptable title insurer for CT properties). Owner's title insurance, which covers the owner's interest, is optional and may be obtained similarly to the Lender's title insurance. The closing or title attorney can provide you with further details.

**TITLE CONDITIONS**

Title to the mortgaged property must be marketable, and clear of all liens and encumbrances, as determined by the Lender and/or Lender's attorney.

**FUNDS TO CLOSE**

All funds necessary for closing, including the balance of any down payment, closing costs, prepaids and escrows, must be available at the closing in the form of a cashier's check or certified bank check. Once all Conditions of the loan have been satisfied, the closing attorney will contact you within 24 hours prior to closing and provide more detailed instructions about the amount of money that you will need to bring to closing.

**APPRAISAL**

You are entitled to a copy of the appraisal report at no charge, if so requested by you in writing.

RE: ,

Loan #:

**INSURANCE COVERAGE SUMMARY**  
**This information is to be provided to your insurance agent or insurer**  
**to ensure full compliance of your coverage**

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**ACCEPTABLE POLICIES:** The Insurer must be currently rated in accordance with one of the following:

Carriers rated by A.M. Best Co: Either a "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports; or an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance Reports-International Edition.

Carriers rated by Demotech, Inc.: "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings.

Carriers rated by Standard and Poor's Inc.: Either a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in S&P's Insurer Solvency Review, or a "BBB" or better claims-paying ability rating in S&P's International Confidential Rating Service.

### HAZARD INSURANCE

**Coverage Type:** Must protect against loss or damage from fire and other hazards covered by the standard extended coverage endorsement and will provide for claims to be settled on a replacement cost basis. Coverage must not limit or exclude from coverage (in whole or in part) windstorm, hurricane, hail damages, or any other perils normally included under an extended coverage endorsement.

**Coverage Amount:** Must be in an amount equal to the lesser of 100% of the insurable value of the improvements - as established by the property insurer or the loan amount as long as it equals the minimum amount—80% of the insurable value of the improvements—required to compensate for damage or loss on a replacement cost basis. If it does not, then coverage that does provide the minimum required amount must be obtained. (\*In the event of a second mortgage, the combined loan amounts of the 1<sup>st</sup> and 2<sup>nd</sup> mortgages applies.)

**Deductible:** May not exceed 5% of the policy's insurance limits (a maximum of 5% of the policy's insurance limits is also acceptable for windstorm.)

### FLOOD INSURANCE

If the mortgage property is located in a Special Flood Hazard Area (SFHA), that has federal mandated flood insurance purchase requirements, you must obtain flood insurance coverage, the policy and insurer for which must be guaranteed by and in accordance with the requirements of the National Flood Insurance Administration (NFIA).

Coverage must be in an amount equal to the lower 100% of the replacement cost of the dwelling, the maximum insurance available under the National Flood Insurance Program (NFIP) for the subject property type or the unpaid principal balance of the mortgage loan amount. (\*In the event of a second mortgage, the combined loan amount of the 1<sup>st</sup> and 2<sup>nd</sup> mortgages applies.) The deductible may not exceed the maximum deductible limits of the NFIP.

### EVIDENCE OF HAZARD AND FLOOD INSURANCE COVERAGE

Must be provided by you at or before the closing as detailed below:

- An Insurance Policy or Binder must evidence Hazard Insurance.
- A Flood Insurance Application or Binder must evidence Flood Insurance or Policy Declarations page of an existing NFIP policy.

All Evidence of Insurance must specify:

- All borrowers listed as insureds;
- Correct address of insured property, including unit number, if applicable;
- Type & Amount of Coverage, Deductible and Insurer (as specified above);
- Effective date (no later than the closing date);
- Signature of authorized agent, binding the coverage;
- Written Paid Receipt for the full annual premium;

- Mortgagee clause in the name of: **ISAOA ATIMA**

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- Lender Contact: