

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**
Order Number: **201211010148**

PeirsonPatterson, LLP
Loan Transmittal Memorandum

www.ppdocs.com

NOTE TO TITLE COMPANY: PeirsonPatterson's fee will not change if our warranty deed is not used or is not provided. PeirsonPatterson still needs to review the deed unless this *review* is waived by the lender.

This loan package was prepared by: **Ambra Costner**

Comments:

Thanks, have a great day!

Attorney Invoice
PeirsonPatterson, LLP

2310 Interstate 20 W, Suite 100
 Arlington, TX 76017
 Phone: (817) 461-5500 Fax: (817) 856-6060

Invoice To: Joe Rep
 Your Title Company
 123 Oak Street
 Dallas, TX 75205
 Phone: (214) 555-5555 Fax:
 GF Number: 112233

Date	Order #	Description	Amount
11/1/2012	201211010148	For professional services in connection with the preparation of real estate documents.	\$150.00

Lender:
 Some Texas Bank
 2310 W Interstate 20, 100
 Arlington, TX 76017
 Phone: (817) 461-5500 Fax:
 Closer: Ambra Costner
 Loan # 12345

Property:
 555 Main Avenue
 Arlington, TX 76017

Borrower(s):
 Jay Borrower

TO INSURE PROPER CREDIT, PLEASE RETURN COPY OF INVOICE WITH REMITTANCE AND PLEASE REFERENCE OUR INVOICE NUMBER ON YOUR CHECK.

**MAKE CHECK PAYABLE TO: * PeirsonPatterson, LLP. - ARLINGTON *
 DO NOT MAIL TO DALLAS - MAIL CHECK TO ARLINGTON**

The fee(s) on this invoice must be separately itemized on the closing statement and shown as a fee to the Lender's attorney. Please contact this office immediately should the transaction be cancelled so that our billing department can close this account. Please make your payment within three days following the closing.

Please do not staple checks to this invoice.
 THANK YOU FOR YOUR BUSINESS.

To Settlement Agent:
Your Title Company
123 Oak Street
Dallas, TX 75205
 Attn: **Joe Rep**
 Phone No.: **(214) 555-5555**
 Fax No.:
 Email: **joerep@title.com**

From Lender:
Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017
 Attn: **Ambra Costner**
 Phone No.: **(817) 461-5500**
 Fax No.:
 Email: **ambra@ppdocs.com**

Supplemental Closing Instructions

SECTION I. LOAN INFORMATION

Borrower(s): **Jay Borrower**
 Property Address: **555 Main Avenue, Arlington, TX 76017**
 Loan Amount: **\$125,000.00**
 Initial Payment: **\$895.54**
 Loan Type: **First Lien-Conventional-Home Equity**
Closed End

Loan # **12345**
 GF No: **112233**
 Order Number: **201211010148**
 Invoice Number: **2-11-00147**

 Initial Interest Rate: **6.000%**
 Term of Loan: **240 months P&I**
 Closing Date: **October 15, 2012**
 Document Exp. Date:
 First Payment Date: **December 1, 2012**
 Final Payment Date: **November 1, 2032**

SECTION II. LOAN FEES AND ESCROWS

Settlement agent fees are provided as an estimate. Final settlement fees must comply with applicable federal laws, rules and regulations; and any applicable state laws or local ordinances.

A. Fees Paid at Closing.

The following fees must be indicated on the HUD-1 Settlement Statement. Collect same unless indicated as "POC" (Paid Outside Closing). Show all "POC"s as such on the HUD-1 Settlement Statement.

100. Gross Amount Due from Borrower		400. Gross Amount Due to Seller	
101. Contract sales price		401. Contract sales price	
102. Personal Property		402. Personal property	
103. Settlement charges to Borrower (line 1400)	\$2,372.79	403.	
104. Loan payoff	\$65,000.00	404.	
105.		405.	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	\$67,372.79	420. Gross Amount Due To Seller	
200. Amounts Paid by or in Behalf of Borrower		500. Reductions in Amount Due to Seller	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	\$125,000.00	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206. Deposit with lender		506.	
207.		507.	
208.		508.	
209.		509.	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	

218.	
219.	
300. Case at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	\$67,372.79
302. Less amounts paid by/for Borrower (line 220)	(\$125,000.00)
303. Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Borrower	-\$57,627.21

518.	
519.	
600. Case at Settlement to/from Seller	
601. Gross amount due to Seller (line 420)	\$0.00
602. Less reductions in amount due seller (line 520)	\$0.00
603. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Seller	\$0.00

700. Total Real Estate Broker Fees		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of commission (line 700) as follows:			
701.	\$0.00		
702.	\$0.00		
703.	Commission paid at settlement	\$0.00	\$0.00
704.		\$0.00	\$0.00

800. Items Payable in Connection with Loan					
801.	Our origination charge	\$500.00	(GFE #1)		
802.	Credit or charge for interest rate				
803.	Your adjusted origination charges		(GFE A)	\$500.00	
804.	Appraisal fee to Appraisal Group		(GFE #3)	\$225.00	
805.	Credit report				
806.	Tax service				
807.	Flood certification				
808.	Document preparation to PeirsonPatterson, LLP \$150.00		(GFE #1)		
809.					
810.					
811.					
812.					
813.					
814.					

900. Items Required by Lender to Be Paid in Advance					
901.	Daily interest charges from 10/19/2012 to 11/1/2012 @ \$20.5479 /day		(GFE #10)	\$267.12	
902.	Mortgage insurance premium for months				
903.	Homeowner's insurance for years				
904.					
905.					
906.					

1000. Reserves Deposited with Lender					
1001.	Initial deposit for your escrow account		(GFE #9)	\$266.67	
1002.	Homeowner's insurance 2 mo. @ \$100.00 per month	\$200.00			
1003.	Mortgage insurance				
1004.	Property taxes 2 mo. @ \$166.67 per month	\$333.34			
1005.					
1006.					
1007.	Aggregate Escrow Adjustment	-\$266.67			
1008.					
1009.					
1010.					

1100. Title Charges					
1101.	Title services and lender's title insurance to Your Title Company		(GFE #4)	\$1,014.00	
1102.	Settlement or closing fee to Your Title Company	\$125.00			
1103.	Owner's title insurance				
1104.	Lender's title insurance to Your Title Company	\$850.00			
1105.	Lender's title policy limit \$125,000.00				
1106.	Owner's title policy limit \$0.00				
1107.	Agent's portion of the total title insurance premium				
1108.	Underwriter's portion of the total title insurance premium				
1109.					
1110.					
1111.					
1112.					

1200. Government Recording and Transfer Charges					
1201.	Government recording charges to Tarrant County Clerk		(GFE #7)	\$100.00	
1202.	Deed Mortgage \$100.00 Releases				
1203.	Transfer Taxes				
1204.	City/County tax/stamps Deed Mortgage				
1205.	State tax/stamps Deed Mortgage				
1206.					

Supplemental Closing Instructions

1300. Additional Settlement Charges		
1301. Additional services that you can shop for		
1302.		
1303.		
1304.		
1305.		
1306.		
1307.		

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges	
Charges That Cannot Increase	HUD-1 Line Number
Our origination charge	# 801
Your credit or charge (points) for the specific interest rate chosen	# 802
Your adjusted origination charges	# 803
Transfer taxes	# 1203

Good Faith Estimate	HUD-1
\$625.00	\$500.00
\$0.00	\$0.00
\$625.00	\$500.00
\$0.00	\$0.00

Charges That in Total Cannot Increase More Than 10%	
Government recording charges	# 1201
Appraisal fee	# 804
Title services and lender's title insurance	# 1101

Good Faith Estimate	HUD-1
\$100.00	\$100.00
\$225.00	\$225.00
\$1,014.00	\$1,014.00

Total
Increase between GFE and HUD-1 Charges

\$1,339.00	\$1,339.00
N/A	

Charges That Can Change	
Initial deposit for your escrow account	# 1001
Daily interest charges	# 901 \$20.5479 /day
Homeowner's insurance premium	# 903

Good Faith Estimate	HUD-1
\$3,566.67	\$266.67
\$652.38	\$267.12
\$0.00	\$0.00

Loan Terms

Your initial loan amount is	\$125,000.00
Your loan term is	20 years
Your interest rate is	6.000%
Your initial monthly amount owed for principal, interest, and any mortgage insurance is	\$895.54 includes: <input checked="" type="checkbox"/> Principal <input checked="" type="checkbox"/> Interest <input type="checkbox"/> Mortgage Insurance
Can your interest rate rise?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of ____%. The first change will be on _____ and can change again every _____ after _____. Every change date, your interest rate can increase or decrease by ____%. Over the life of the loan, your interest rate is guaranteed to never be lower than ____% or higher than ____%.
Even if you make payments on time, can your loan balance rise?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, it can rise to a maximum of \$_____.
Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, the first increase can be on _____ and the monthly amount owed can rise to \$_____. The maximum amount it can ever rise to is \$_____.
Does your loan have a prepayment penalty?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, your maximum prepayment penalty is \$_____.
Does your loan have a balloon payment?	<input checked="" type="checkbox"/> No. <input type="checkbox"/> Yes, you have a balloon payment of \$_____ due in _____ years on _____.
Total monthly amount owed including escrow account payments	<input type="checkbox"/> You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself. <input checked="" type="checkbox"/> You have an additional monthly escrow payment of \$266.67 that results in a total initial monthly amount owed of \$ 1,162.21. This includes principal, interest, any mortgage insurance and any items checked below: <input checked="" type="checkbox"/> Property taxes <input checked="" type="checkbox"/> Homeowner's insurance <input type="checkbox"/> Flood insurance _____ _____ _____

Itemization of Our Origination Fee (Line 801)	
Underwriting fee to Some City Bank	\$350.00

Supplemental Closing Instructions

Attorney fee for docprep to PeirsonPatterson, LLP	\$150.00
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Itemization of Title Services and Lender's Title Insurance (Line 1101)	
Title courier fee/Express mail fee to Your Title Company	\$35.00
Guaranty fee to Your Title Company	\$4.00

B. Per Diem Interest and Escrows:

Per Diem Interest is **20,5479** per day. Collect per diem interest from the date of funding (including date of funding) to **11/1/2012**. Collect from **Borrower(s)** and remit by separate check to **Lender**.

Aggregate Analysis. Borrower must sign enclosed initial escrow account disclosure statement. Collect and illustrate escrows on HUD-1 Settlement Statement according to the top half of the enclosed Aggregate Escrow Entry Sheet. Do not close if "Payments From Escrow Account" is not accurate.

C. Issuance of Separate Checks:

Lender requires the issuance of additional separate checks for the following, which have not been deducted from the loan proceeds.

-
- **Invoice number 2-11-00147 to PeirsonPatterson LLP. For professional services in connection with the preparation of real estate documents. \$150.00**

SECTION III. LOAN DOCUMENTS

We are enclosing the following documents in connection with the above-referenced loan. Do not allow anyone to execute the loan documents before the date indicated on the Note. ALL PAPERS MUST BE SIGNED AS THE LEGAL DOCUMENTATION HAS BEEN TYPED. IF YOU HAVE INFORMATION THAT THE TYPED NAMES OR OTHER FACTUAL INFORMATION ARE INCORRECT, PLEASE CONTACT LENDER IMMEDIATELY. All documents requiring execution in the presence of a notary public shall be so executed, and this notary shall complete the proper notary acknowledgment and affix the proper seal to such documents. If there is any question as to the identity of the person executing any document, the responsibility of determining that person's identity is that of the notary public and the Settlement Agent. No corrections, erasures, changes or substitutions may be made to the documents without Lender's prior written approval. Such documents are conditionally delivered to Settlement Agent only for loan settlement and should under no circumstances leave Settlement Agent's possession or control except for delivery to Lender unless Settlement Agent is in receipt of written instructions otherwise from Lender. Powers of Attorney are not allowed unless specifically approved in writing by Lender. If you have information that the typed names are incorrect, please contact Lender immediately. Please follow the respective instructions for the disposition of each document.

Loan Transmittal Memorandum

Attorney Invoice Return with payment to PeirsonPatterson, LLP. @ 2310 W. Interstate-20, Suite 100, Arlington, Texas, 76017-1668.

Supplemental Closing Instructions Originals to be signed by Settlement Agent and returned to Lender.

Master Closing Instructions (Texas) Originals to be signed by Settlement Agent and returned to Lender.

Texas Home Equity Loan Closing Instructions Addendum Settlement Agent must follow additional instructions. Return original to Lender.

Aggregate Escrow Account Entry Use these calculations to establish the initial escrow account.

Initial Escrow Disclosure Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

SSN Verification

Texas Notice of Penalties for Making False or Misleading Written Statement Borrower(s) must sign. Signatures must be acknowledged. Return Original(s) to Lender. Give Borrower(s) one (1) copy.

Truth in Lending Disclosure Statement Each Borrower must sign original counterpart prior to signing the Note and Security Instrument (Mortgage / Deed of Trust). Return Original and one (1) certified copy to Lender. Give each Borrower one (1) copy.

APR & Finance Charge Summary Give to Borrower(s).

Itemization of Amount Financed Borrower(s) must initial. Return original to Lender. Give One (1) copy to Borrower(s).

Periodic Amortization Schedule Borrower(s) to initial each page of amortization schedule. Return original to Lender.

Texas Home Equity Note (Fixed-1st Lien) 3244.1 Borrower(s) must sign Original and initial each page. Return Original and one (1) certified copy to Lender.

Texas Home Equity Security Instrument 1st Lien 3044.1 All indicated parties must sign. File original in local Real Property records. Return one (1) certified copy to Lender. Give each Party a copy after signature.

Texas Home Equity Affidavit and Agreement Obtain all Property Owner's and their Spouse's signatures. If any party can not swear to each of the matters stated therein, do not proceed with the closing and immediately advise Lender. If necessary, the closing may be rescheduled to accommodate the requirement of the law. If they can swear to each of the matters therein, obtain their signatures under jurat. Record original. Return one (1) certified copy to Lender. Give each party a copy after signing and dating.

Designation of Homestead Affidavit Obtain all Property Owner's and their Spouse's signatures. If any party can not swear to each of the matters stated therein, do not proceed with the closing and immediately advise Lender. If necessary, the closing may be rescheduled to accommodate the requirement of the law. If they can swear to each of the matters therein, obtain their signatures under jurat. Return original and one (1) certified copy to Lender. Give each party a copy after signatures.

Warning Regarding Notice of Right to Cancel ATTENTION CLOSER - Please read.

Notice of Right to Cancel (H-8) - Borrower 1 Give each Borrower two (2) Originals. Borrower must acknowledge (by signature) receipt of Notice(s) at time of consummation. The Borrower must not execute the election until the three (3) day period has expired. Return the Original Notice(s) signed and dated by each Borrower to Lender. Amend and have initialled by all Borrowers the "date of the transaction" on the Notice(s) and Election(s) to reflect the later of the date last Borrower signed or any other condition that is satisfied that is necessary for consummation. Extend the rescission date in paragraph 2 of the Notice(s) by a like amount of days and have initialled by all Borrowers.

Notice of Right to Rescind and Election Not to Rescind (State) - Borrower 1 Borrower(s) must acknowledge receipt of notices indicated therein. Return original to Lender. Give Borrower(s) one (1) copy.

1st Payment Letter & Mailing Add Cert/Coupons Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Flood Insurance Coverage Subject to Possible Change Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

First Payment Letter Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Acknowledgement Regarding Voluntary Repayment of Existing Debt Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Borrower(s) Acknowledgement of Receipt of Disclosures Borrower(s) must acknowledge disclosures indicated therein. Return original to Lender. Give Borrower(s) one (1) copy.

Acknowledgment Regarding Fair Market Value of Homestead Property All indicated Parties must sign. Return original to Lender. Give each Party one (1) copy.

Supplemental Closing Instructions

Appraisal Receipt Borrower(s) must complete date and name of appraiser if not already complete. Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Appraisal Report Disclosure Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Attorney Representation Notice Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Borrower Affidavit The indicated Borrower(s) must sign original Security Instrument (Mortgage / Deed of Trust). Obtain acknowledgements and file original. After recording, return original and one (1) certified copy to Lender. Give Borrower(s) one (1) copy.

Borrower's Closing Affidavit Borrower(s) must sign and swear to the truth of the matter(s) stated. Signatures must be acknowledged. Return Original(s) to Lender. Give Borrower(s) one (1) copy.

Certification and Authorization to Release Information Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Certificate from Originating Lender's Attorney Regarding Compliance with Section 50(a)(6), Article XVI of the Texas Constitution Return original to Lender. Give each Party one (1) copy.

Certificate From Originating Lender Regarding Compliance All indicated Parties must sign. Return original to Lender. Give each Party one (1) copy.

Texas Deletion of Arbitration Provision Return unsigned to Lender for signature, unless signed original forwarded direct by Lender under separate cover.

Disclosure of Right to Receive a Copy of an Appraisal Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Document Correction Agreement Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Errors and Omissions Letter Borrower(s) must sign and signature(s) notarized. Return original to Lender. Give Borrower(s) one (1) copy.

Fair Credit Reporting Act Notice Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

TX Home Equity Loan Subsequent Refinance Limitations Notice Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Hazard Insurance Information Settlement Agent must complete. Return original to Lender.

Mineral Rights Acknowledgment Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Mortgage Fraud Warning FBI Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Name Affidavit - Borrower 1 Borrower(s) must sign and swear to the truth of the matter(s) stated. Signatures must be acknowledged. Return Original(s) to Lender. Give Borrower(s) one (1) copy.

Transferee/Transferor Notice of Transfer of Loan Servicing - Blank Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Notice of No Oral Agreements All Parties must sign. Return original to Lender. Give each Party one (1) copy.

Owner's Affidavit of Compliance Borrower(s) must sign and swear to the truth of the matter(s) stated. Signatures must be acknowledged. Return original(s) to Lender. Give Borrower(s) one (1) copy.

Property Tax Information Settlement Agent must complete. Return original to Lender.

Quality Control Release Borrower(s) to sign and date. Return original to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Receipt of Copies All indicated Parties must sign. Return original to Lender. Give each Party one (1) copy.

HUD-1 Settlement Statement Addendum All indicated Parties must sign and date. Return original to Lender. Give each Party one (1) copy.

Residential Real Property Affidavit Borrowers to fully executed. Obtain acknowledgement(s). Return original to Lender.

Septic/Water/Well/Propane/Termite Inspection Waiver Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Collateral Protection Insurance Notice (Texas) Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Acknowledgement of Advance Copy of Loan Application and Final Itemization of Fees and Charges Borrower must receive at least one business day advance disclosure of all actual fees, points, interest, costs and charges related to this loan. This must be done by delivering a final HUD-1 or HUD-1A to Borrower at least one business day prior to closing. Any change in any fee, points, interest, or other costs, including but not limited to per diem interest, will require new disclosure and waiting one additional business day for Borrower's execution of the loan documents. If Borrower has received said disclosure timely, Borrower must sign the Texas Home Equity Acknowledgement of Advance Copy of Loan Application and Final Itemization of Fees and Charges. After signature and acknowledgment, return original to Lender. Give copy to each Borrower.

4506-T Cover Sheet

Form 4506-T Request for Transcript LINES 1b, 6 - 9 MUST BE COMPLETED. **LINE 4 SHOULD BE COMPLETED, if applicable.** Borrower(s) to complete, fully execute and return original to Lender.

W-9 Cover Sheet

Request for Taxpayer Identification Number and Certification - Borrower 1 Each Borrower must complete and sign a separate W-9. Return Original(s) to Lender.

RESPA Servicing Disclosure Statement Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

SECTION IV. ADDITIONAL REQUIREMENTS

Title Insurance.

- * Mortgage's Clause in Title Policy must read: "(Lender's name as appearing in the Note), and/or (the Secretary of Housing and Urban Development) (the Administrator of the Department of Veteran's Affairs, an officer of The United States of America) (the Veteran Land Board of the State of Texas), "and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of Section 12(c) of the Conditions and Stipulations" depending on the type of loan as indicated in the Master Closing Instructions.
- * Provide T-30 endorsement to the Loan Policy of Title Insurance at the Borrower's expense. Real estate taxes must be shown as being current or as being future taxes that are not yet due and payable. Any situation in which taxes are not current is not acceptable.
- * Provide T-36 Environmental Protection Lien Endorsement to Loan Policy of Title Insurance at Borrower's expense. If provided, see Master Instructions No. 4.13(p)
- * As to any encroachment that is an exception or any exclusion to coverage with respect to minerals in either Schedule A, Item 2 or Schedule B in the Loan Policy of Title Insurance which falls under the provisions of Procedural Rule 50 of the MANUAL OF RULES, RATES AND FORMS FOR THE WRITING OF TITLE INSURANCE IN THE STATE OF TEXAS ("Texas Title Rules"), the Lender hereby requests that any such matter be insured by providing a T-19 Restrictions, Encroachments, Mineral Rights Endorsement at borrower's expenses. If provided, see Master Closing Instructions 4.13(h).
- If, however, the title company does not issue the above-referenced T-19 Restrictions, Encroachments, Minerals Endorsement without amendment for any reason, Lender requests the title company to issue, as applicable and pursuant to Texas Title Rules P-5.1, and P-50.1, its Minerals and Surface Damage Endorsement (T-19.2) if the Property insured is one acre or less and is improved or intended to be improved for one-to-four family residential use. If the Property is improved or intended to be improved for office, industrial, retail, mixed use retail/residential or multifamily purposes, lender requests that the title company issue the Minerals and Surface Damage Endorsement (T-19.3). Please see Master Closing Instructions 4.13(i), 4.13(j), and 4.18.
- * Delete Section 13 of the conditions and stipulations of the Loan Policy of Title Insurance relating to Arbitration.
- * According to Procedural Rule P-44, add Equity Loan Mortgage Endorsement (T-42) to the Loan Policy of Title Insurance. Make no deletions thereto. Add subparagraph (f) of paragraph 2 to the Equity Loan Mortgage Endorsement (T-42) as allowed by Procedural Rule P-44.
- * According to Procedural Rule P-47, add Equity Loan Mortgage Endorsement (T-42.1) to the Loan Policy of Title Insurance. Make no deletions thereto. The requirements for the Equity Loan Mortgage Endorsement (T-42.1) are as follows:

I. Receipt of Closing Instructions Signature Before Specified Date: Settlement Agent acknowledges receipt of this Addendum, the Supplemental Closing Instructions and the Master Closing Instructions prior to the execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note which is being executed at the office of the title insurance company. Settlement Agent shall not allow any Borrower, Owner or Owner's Spouse to execute any loan document before the date indicated on the Texas Home Equity Note.

II. Loan Proceeds Disbursement Before Fourth (4th) Day: Settlement Agent shall not disburse funds before the fourth (4th) business day after closing. **III. Election Not to Rescind:** All indicated parties must have executed the Texas Home Equity Election Not to Rescind. This form may not be dated or signed prior to the fourth (4th) business day after closing.

IV. Document Copies: Settlement Agent shall give Borrower/Owner copies of all documents related to the extension of credit which Borrower/Owner signs at closing and provide the same on the date that the Borrower/Owner executed the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby.

V. Settlement Statement: Settlement Agent shall fax or send fee and charge disclosure or settlement statement to the Lender for approval prior to execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby. Settlement Agent shall not collect or disburse any fees not shown on the final settlement statement prepared by the title insurance company and approved by Lender.

VI. Blanks in an Instrument: Settlement Agent shall ensure there are no blanks left to be filled in (other than signature lines, if any, for execution by Lender) in the following instruments when executed by Borrower/Owner: (a) any instrument prepared by the Settlement Agent or title insurance company; (b) the Acknowledgment Regarding Fair Market Value of Homestead Property; (c) the Texas Home Equity Security Instrument; (d) the Texas Home Equity Note; and (e) any affidavits of compliance with Section 50(a)(6), Article XVI, of the Texas Constitution including but not limited to the Texas Home Equity Affidavit and Agreement, Rural Homestead Affidavit (if applicable), and Affidavit of Milk Production on Homestead Property (if applicable).

VII. Attachment of Appraisal or Evaluation: Settlement Agent shall attach the appraisal or evaluation of the fair market value of the Property to the Written Acknowledgment Regarding Fair Market Value of Homestead Property.

VIII. Signature of Acknowledgment of Fair Market Value: Settlement Agent shall ensure execution of the Acknowledgment Regarding Fair Market Value of Homestead Property by Borrower/Owner on the date of closing at the office of a title insurance company.

IX. No Land In Excess of Homestead Allotment: Settlement Agent must receive a satisfactory surveyor's certificate of letter from a Texas Licensed Registered Professional Surveyor or a computation of the acreage made pursuant to a software program stating the exact amount of acreage or square footage of the land and whether or not the land is located within the boundaries of an incorporated municipality.

X. No Other Land with a Home Equity Mortgage: Borrower/Owner and Owner's Spouse (if any) must execute and swear to each of the matters stated in the Texas Home Equity Affidavit and Agreement. The Property (as shown on Schedule A) shall not have been subject to a mortgage (executed by owner) securing an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI of the Texas Constitution that was closed within one year prior to this loan closing.

Corrected Title Commitment. In addition to the requirements contained in the Master Closing Instructions, if provided, the Commitment must be amended as follows: (WE REQUIRE THE FOLLOWING ITEMS WITHIN TWENTY-FOUR HOURS OF THE EXECUTION OF THE DOCUMENTATION.)

Provide all applicable Endorsements @ Borrower's expense.

Provide a full T-19 endorsement without deletion.

Provide an amended, original Title Commitment, updated within 30 days of closing.

Schedule A: Proposed Insured to read "Some Texas Bank" and add Conventional verbiage.

Schedule B: Reflect the Tax Deletions. Guarantee ALL Taxes are Paid Current.

Schedule B: Locate and Note ALL Building Lines, Easements and/or Right of Ways on Survey or delete.

Schedule C: Clear ALL Items. All Liens MUST be paid in full and released.

STRICTLY ADHERE TO THE MASTER CLOSING INSTRUCTIONS.

Borrower's HUD-1 Settlement Statement. HUD-1 must reference SETTLEMENT AGENT NAME, ADDRESS and PHONE NUMBER in Section H "Settlement Agent" and at least SETTLEMENT AGENT ADDRESS in "Place of Settlement" box. Three (3) certified copies. The Borrower(s) cannot receive any credit against the Sales Price for repairs or any other matter(s) without Lender's specific approval. Must reflect the name and address, including zip code of the Borrower(s), the Lender and the Settlement Agent.

Survey. Obtain a survey. Follow requirements of the Master Closing Instructions if provided. Determine that the description matches the Property description used in the loan documents. New or existing, whichever is applicable.

Hazard Insurance. Obtain a copy of the existing insurance policy. Determine if it is a comprehensive Texas; Homeowners Form B policy. If the existing policy is due to expire within 60 days of closing, you must also provide a paid receipt for next year's premium.

Lender's Privacy Requirements. Maintaining public confidence is important to the success and well-being of Lender. Additionally, Lender is bound by certain state and federal laws and regulations that require Lender and Lender's employees to transact business mindful that information shall be properly safeguarded. These closing instructions hereby put Settlement Agent on notice that the laws, regulations and safeguards that apply to Lender and its employees equally apply to vendors, agents and service providers [VASPs] of Lender. In conducting the business of Lender, certain customer information is obtained, used, created, stored and disposed. It is expected and required that all persons or entities with access to Lender's customer information shall keep that information confidential. VASPs are not authorized to access Lender's customer information except as is minimally necessary to complete assigned work. VASPs are not to make unauthorized copies of customer information. VASPs are not to discuss customer information with anyone other than authorized persons. Casual conversation about customers and customer information is prohibited and should be avoided even with other VASPs or Lender employees. VASPs shall not sell or otherwise share any customer information with any third party persons or companies. It is understood by Settlement Agent that Lender's customer information shall only be obtained, used, stored and disposed by methods and means that are necessary and permitted in order to conduct the business of Lender and Settlement Agent. All such access shall be in a safe guarded manner consistent with Lender's business practices and generally accepted professional business standards.

Other Items:

- Borrower(s) must complete Social Security Number(s) or Tax ID number on any applicable documents.
- Provide any and all other state specific documents necessary to properly close and insure this transaction.
- HUD-1 must reference SETTLEMENT AGENT NAME, ADDRESS and PHONE NUMBER in Section H "Settlement Agent" and at least SETTLEMENT AGENT ADDRESS in "Place of Settlement" box.
- According to information provided to Lender, settlement agent will charge Borrower(s) an escrow fee of \$125.00 and a wire/courier/Fed-X fee (to meet Lender's requirements) of \$35.00. Do not increase or decrease these fees without Lender's prior written consent. These fees have been included as a prepaid finance charge in Borrower(s)' Truth in Lending Disclosure.
- 3 Day Right of Rescission required on this loan.

- **Title Company to complete the enclosed Borrower's Closing Affidavit (#6 on Page 3 Hold Harmless) with ANY/ALL Survey violations, if any. Return executed original to Lender.**

SECTION V: LOAN FUNDING

All papers must be signed as the legal documentation has been typed. If you have information that the typed names or other factual information are incorrect, please contact Lender immediately. All fees and charges required to be paid and known by Settlement Agent must be reflected on the Settlement Statement. The Settlement Statement must be faxed to Lender for approval prior to Closing. After Lender approval, no charges or fees can be added to the Settlement Statement without lender's written consent. The loan must close and fund by the Document Expiration Date indicated on page one of these Instructions. Do not file the Deed of Trust prior to Lender's funding authorization. The Closing of this loan is contingent upon the Sales Price captioned herein being true and correct. Should you have information indicating a lesser Sales Price or any secondary financing not shown above, do not close this loan and contact Lender immediately.

The escrow agent shall prepare the HUD-1 Settlement Statement in accordance with these instructions and provide it to us for our approval at least 24 hours before the real estate settlement transaction is closed. Then, the escrow agent shall close the transaction and disburse funds only in accordance with the approved HUD-1 Settlement Statement. If any party to the transaction requests that his/her funds be disbursed in any manner different from the approved HUD-1, the escrow agent shall advise us of the request and obtain prior approval from us before any funds are disbursed in a manner different from the approved HUD-1 Settlement Statement.

SUBJECT TO ANY LIMITATIONS IMPOSED BY PROCEDURAL RULE P-35 OF THE BASIC MANUAL OF TITLE INSURANCE IN THE STATE OF TEXAS, THE UNDERSIGNED AS AUTHORIZED AGENT FOR SETTLEMENT AGENT HEREBY ACKNOWLEDGES RECEIPT OF AND AGREES TO FOLLOW ALL THE TERMS CONTAINED IN THESE SUPPLEMENTAL CLOSING INSTRUCTIONS, THE COMMITMENT FOR TITLE INSURANCE ISSUED FOR THIS LOAN AND THE MASTER CLOSING INSTRUCTIONS WHICH ARE INCORPORATED HEREIN BY REFERENCE PRIOR TO THE REQUEST FOR LOAN FUNDING, UNLESS OTHERWISE AUTHORIZED HEREIN. THIS ACKNOWLEDGEMENT DOES NOT OTHERWISE IMPLY A CERTIFICATION OR GUARANTY OF FACT, INSURANCE COVERAGE OR CONCLUSION OF LAW.

Your Title Company

By: _____

Settlement Agent Signature

[ORIGINAL SIGNATURE, NOT STAMP, REQUIRED AS A CONDITION OF FUNDING.]

MASTER CLOSING INSTRUCTIONS

Loan # 12345

These Master Closing Instructions are for closing the loan referenced in the Supplemental Closing Instructions. Do not proceed unless you accept full responsibility for following these instructions. All Master and Supplemental Closing Instructions must be strictly followed. Do Not Close The Loan Otherwise. Have any questions answered prior to commencement of closing. Any modifications must be in writing and signed by the Lender. SETTLEMENT AGENT IS NOT AUTHORIZED TO MAKE ANY CHANGES ON THE NOTE, SECURITY INSTRUMENT OR TRUTH-IN-LENDING DISCLOSURE STATEMENT. THE DOCUMENTS MUST BE REORDERED BY THE LENDER.

If any ambiguities, obvious errors, or questions arise in connection with the loan or any matter contained in the Master or Supplemental Closing Instructions, the Closing Coordinator specified in the Supplemental Closing Instructions must be contacted prior to closing. The Settlement Agent will be liable for losses incurred by the Lender as a result of the agent closing the loan with knowledge that errors were contained in any documents or instructions. If the Settlement Agent determines that the loan cannot be closed in accordance with these Master Closing Instructions, do not proceed to closing without further instructions from the Lender. An attempt has been made to provide complete and correct forms necessary to close the loan. However, if any required forms are missing, obviously incorrect, or obsolete, contact the Lender.

1. FRAUD PREVENTION.

- 1.1 Settlement Agent has special knowledge that the Lender cannot obtain from any other source. Lender is relying on Settlement Agent to communicate any material information, such as, by way of example, an adverse change of the value or title of the property, changes to the sales contract (if purchase), changes to the financing, bankruptcy, or enforcement of creditor's rights are material to Lender. If Settlement Agent receives any such material information, the Settlement Agent shall suspend loan closing and immediately disclose the information to Lender.
- 1.2 If Settlement Agent has knowledge that anyone in Settlement Agent's office is a party to the transaction, is a family member or relative of any of the parties to the transaction, or has a conflict of interest, obtain Lender's written consent before closing.
- 1.3 If Settlement Agent has reason to believe there is a fraud or scheme related to the transaction, Settlement Agent shall suspend loan closing and immediately contact Lender.
- 1.4 Information related to the Borrower, Seller, Real Estate Broker, Builder, Mortgage Broker, Title Insurer, Settlement Agent, or property may be a material inducement to Lender for making the loan. If Settlement Agent knows any party to the transaction made a material misstatement or discovers a falsehood, Settlement Agent shall suspend the closing and immediately contact the Lender.
- 1.5 If Settlement Agent has knowledge or belief that any document has been tampered with, falsely generated, bears an incorrect or falsified date, bears different names and addresses for the same party, bears a fictitious name, or a party's handwriting is inconsistent throughout the file, suspend closing and immediately contact the Lender.
- 1.6 If the Borrower or Seller appear to be coerced, under undue influence, or lack capacity to

understand the transaction, suspend closing and immediately contact the Lender.

- 1.7 The Borrower(s) must appear to be able to read the loan documents and the nature of the transaction.
- 1.8 To comply with the US Patriot Act, the Bank Secrecy Act, and regulations promulgated by the Secretary of the Treasury, Lender has established a customer identification program. The reason for this program is to ascertain and verify the Borrower's, and any Signatory's, true identity. To this end, and because the Settlement Agent has face-to-face contact with the Borrower, perform the following activities for each Borrower and Signatory:
 - (a) explain to the Borrower that information is being obtained to verify identity;
 - (b) complete the Identity Affidavit, either electronically or manually, in accordance with the instructions accompanying it;
 - (c) for U.S. residents, obtain a copy of an **unexpired** government-issued identification that bears a photograph or similar safeguard;
 - (d) for non-U.S. residents, obtain a copy of one or more of the following: a copy of an **unexpired** government-issued document evidencing nationality or residence and bearing a photograph; and/or an **unexpired** passport with passport number and country of issuance; and/or an **unexpired** alien identification card;
 - (e) if a customer is unable to produce an unexpired form of identification, contact the Lender for assistance in independently verifying the true identity of the customer;
 - (f) for corporations, partnerships, trusts, and other persons that are not individuals, obtain from the state of incorporation certification of good standing and a copy of the authorizing resolution duly certified by a corporate official, a government-issued business license, Partnership Agreement, or Trust Agreement;
 - (g) if Settlement Agent cannot form a reasonable belief that the true identity of the Borrower is known, suspend closing and immediately contact the Lender; and
 - (h) include in the closing package returned to Lender copies of all identifying information provided by the Borrower, copies of all documents relied on to establish the Borrower's true identity, and any documents pertaining to the resolution of any discrepancy in the identifying information obtained.
- 1.9 Settlement Agent must obtain Borrower's acknowledgement supplied by Lender, that no third party is paying the Borrower to lend credit or identity to the transaction.
- 1.10 If Settlement Agent has knowledge that there is, or will be, a "silent second mortgage" placed on the property, or that any monies Borrower is required to pay or deposit at closing are not from the Borrower's own funds or a bona fide gift, the Settlement Agent shall suspend loan closing and immediately contact Lender.
- 1.11 Settlement Agent is only to accept Borrower funds from Borrower's deposited accounts in the financial institutions verified and disclosed on Fannie Mae Form 1003, Freddie Mac Form 65, or from the account and institution specified elsewhere in these Closing Instructions. Settlement Agent must verify the source of funds; if Borrower funds come from a different institution or an out-of-state institution, suspend closing and immediately contact Lender.
- 1.12 All funds must pass through escrow and should be noted on the HUD-1 Settlement Statement. Copies of down payment checks or funds needed to close must be sent to Lender. The name and

address on the deposit check must match Borrower's name and address.

- 1.13 If the property has been subject to a closing within one year of the current transaction, Settlement Agent is to contact Lender and obtain Lender's written consent to close. Settlement Agent must obtain Lender's written consent to close if there have been any transfers of the property within the last 180 days.
- 1.14 If this is an owner-occupied property transaction and Settlement Agent has knowledge of the Borrower owning and occupying another residence not subject to sale, or that the Borrower does not intend to occupy the property, the Settlement Agent shall obtain the written consent of Lender.
- 1.15 If the Mortgage Broker and the property Seller are the same, or the Settlement Agent has knowledge that are owned or controlled by the same person, do not proceed with closing and immediately contact Lender.
- 1.16 Immediately inform the Lender if the Borrower had a former interest in the property, or if other parties to the transaction such as the Real Estate Agent, Mortgage Broker, Appraiser, or Settlement Agent had an interest in the property.
- 1.17 If a business entity is acting as the Seller, confirm that the Borrower does not control, and is not related to, the Owner or the Seller.
- 1.18 If this is a purchase transaction, have Borrower confirm a property inspection has occurred on form supplied by Lender; if no real estate commission is payable, provide the Lender with an explanation if the sales contract provides otherwise.
- 1.19 If the real estate commission appears excessive for the market area, contact the Lender prior to closing.
- 1.20 All Borrowers must execute IRS Form 4506.
- 1.21 Confirm the preliminary Title Commitment or Binder is correct for insuring purposes, or issue a corrected Title Commitment or Binder to Lender. Immediately contact the Lender if the owner, as shown on the Title Commitment, is different from the Seller on the Purchase Contract. The sale must not be subject to Seller acquiring title.
- 1.22 Settlement Agent must be an approved agent with the Title Insurer whose name appears on the Title Commitment and Binder.
- 1.23 If there are material or significant changes to the sales price or the escrow, Lender must approve the same prior to closing. Confirm the sales price on the contract matches the sales price on the HUD-1 Settlement Statement.
- 1.24 If the property tax assessment is less than or greater than 10% of the sales price, contact Lender, if other than new home sale.
- 1.25 Contact Lender immediately if there are any unusual payouts denoted on the Seller's column on the HUD-1 Settlement Statement.

- 1.26 Settlement Agent must sign the HUD-1 or HUD-1A Settlement Statement.
 - 1.27 Settlement Agent must sign the Closing Instructions to acknowledge receipt and to affirm that the Settlement Agent has read, understood and accepts all conditions of conducting the settlement.
 - 1.28 Borrower must sign all verification documents and certify that the information in the verifications is accurate.
 - 1.29 Settlement Agent must return recordable documents and the final Title Policy in a timely manner, but no later than 30 days from the date of closing. Failure to deliver these documents in a timely manner will result in a claim being filed with the Title Insurer.
 - 1.30 Do not allow the Borrower to sign any document containing blanks.
 - 1.31 If actual settlement charges on the HUD-1 Settlement Statement exceed the Good Faith Estimate supplied at closing by 10% or more, contact the Lender prior to closing.
 - 1.32 If the legal documents are incomplete or inconsistent with other information in the mortgage file, immediately contact the Lender.
 - 1.33 Ensure all documents have proper signatures.
 - 1.34 **The escrow agent shall prepare the HUD-1 Settlement Statement in accordance with these instructions and provide it to us for our approval at least 24 hours before the real estate settlement transaction is closed. Then, the escrow agent shall close the transaction and disburse funds only in accordance with the approved HUD-1 Settlement Statement. If any party to the transaction requests that his/her funds be disbursed in any manner different from the approved HUD-1, the escrow agent shall advise us of the request and obtain prior approval from us before any funds are disbursed in a manner different from the approved HUD-1 Settlement Statement.**
2. **INSURED CLOSING.** Request is hereby made pursuant to Article 9.49 of the Texas Insurance Code that an Insured Closing Service Letter in the form authorized by the State Board of Insurance be issued in connection with the closing and settlement of the loan closing through an agent for a title insurance company authorized to do business in the State of Texas. All Settlement Agents should confirm that such a letter is on file with the Lender before closing the loan.
 3. **CLOSE AS INSTRUCTED AND REQUIRED.** As Settlement Agent, you must close the transaction in strict accordance with these Closing Instructions. If this transaction involves a sale, all applicable terms and conditions of the sales contract furnished to Lender must be followed. Immediately advise the Lender if any of the sales contract provisions conflict with these Closing Instructions. Immediately advise the Lender of any recent (within the last year (1 year)) or impending change in ownership or material change in the sales price or valuation. Approval must be granted by the Lender prior to closing. Prior to request for funding, you must have written authorization from Lender approving any deviation from the Master and Supplemental Closing Instructions. No credits, debits, secondary financing, or third party contributions are allowed unless specifically authorized in the Supplemental Closing Instructions. All persons signing both the note and the deed of trust must be vested in title unless the Lender indicates that

an individual is acting pro forma or as a cosigner or guarantor.

4. **TITLE COMMITMENT AND POLICY.** The title policy must be written through the same company that issued the Commitment for Title Insurance (“Title Commitment”) previously furnished to the Lender. Lender’s loan documents have been prepared based upon the Title Commitment. If the Title Commitment does not comply with the following requirements, Settlement Agent must either (i) amend it, (ii) provide a new Title Commitment, or (iii) agree to provide Lender a subsequent Loan Title Policy (“Title Policy”) in accordance with the following requirements:

4.1 The date of the Title Commitment may not be more than ninety (90) days before the settlement date. If the Title Commitment has expired, do not close the loan, and contact the Lender immediately. The Title Commitment must have an authorized counter signature.

4.2 The Title Policy must insure a first and superior deed of trust lien. The Short Form Residential Mortgage Policy (T-2R) may be issued if available and requested by the Lender. Procedural Rule P-51 regulates the Title Policy.

4.3 The “Proposed Insured” must read exactly as Lender’s loan documents, with the following additional phrase:

If a Conventional Loan: “And each successor in ownership of the indebtedness secured by the insured mortgage except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

If an FHA Loan: “And/or the Secretary of Housing and Urban Development of Washington, D.C., and each successor in ownership of the indebtedness secured by the insured mortgage except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

If a VA Loan: “And/or the Administrator of Veterans Affairs, an Officer of the United States of America, and each successor in ownership of the indebtedness secured by the insured mortgage except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

If a Texas Veteran Land Board Loan: “And/Or the Veteran Land Board of TEXAS, and each successor in ownership of the indebtedness secured by the insured mortgager except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

4.4 The amount of the coverage in the Title Policy should at least equal the loan amount indicated in the Supplemental Closing Instructions. If the loan has either capitalized interest or negative amortization, the coverage should equal the highest outstanding balance indicated in the loan documents, not to exceed one hundred twenty-five percent (125%) of the original principal amount.

4.5 “Title to the estate or interest in land is insured as vested in” in the Title Policy (Loan Policy of Title Insurance) must exactly match the Borrower’s name(s) indicated on the loan documents.

4.6 The legal description in the Title Policy must conform to the loan documentation and the survey.

- 4.7 The “estate or interest in land that is insured as encumbered by the insured mortgage” stated in the Title Policy (Loan Policy of Title Insurance) must read FEE SIMPLE unless provided otherwise in the Supplemental Closing Instructions. The Title Policy (Loan Policy of Title Insurance) must insure against any loss or damage sustained or incurred by reason of a lack of a right of access to and from the land. Any easements providing access to the property must be insured as part of the estate, and not shown as an exception on Schedule “B.”
- 4.8 Item 2 of Schedule “B” must read “shortages in area.”
- 4.9 The portion of Schedule “B,” Number 5, which refers to “subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership” must be deleted pursuant to Procedural Rule P-20 and Rate Rule R-19. The following language “Company insures that standby fees, taxes, and assessments by any taxing authority for the applicable year are not yet due and payable.” must be added to the standard tax exception, pursuant to Procedural Rule P-29 and Rate R-24. The Borrower should pay the expense associated with such coverage.
- 4.10 Any easement, encroachment, and right-of-way or restriction constituting an exception must be specifically described on Schedule “B.” Any easement or right-of-way indicated on Schedule “B” must be located on the survey unless Lender approves otherwise. If the survey does not show easements which are on the Title Commitment, either (i) remove said item(s) from Title Commitment or (ii) have surveyor locate and identify on amended survey and obtain Lender’s approval of said location. A surveyor’s letter is not sufficient in lieu of removing the exception.
- 4.11 Remove any “visible and apparent” or similar exception to coverage. Remove any “rights to parties in possession,” “tenants in possession,” or similar exceptions to coverage unless such exception has been specifically authorized in the Supplemental Closing Instructions.
- 4.12 All items mentioned on Schedule “C” of the Title Commitment must be disposed of prior to requesting funding authorization. By disbursing the loan funds, Settlement Agent certifies to Lender that all matters disclosed on Schedule “C” will be paid or disposed of to the satisfaction of the title insurer prior to the date of the issuance of the Title Policy, and that no exceptions for any item on Schedule “C” will be contained therein.
- 4.13 TLTA Endorsements: Provide all appropriate endorsements and collect all corresponding premiums and expenses from among the following, as promulgated by the Texas Department of Insurance in the currently effective “Basic Manual of Rules, Rates, and Forms for the Writing of Title Insurance in the State of Texas”:
- (a) T-2R Short Form Residential Policy of Title
 - (b) T-3 General Endorsement
 - (c) T-4R Residential Leasehold Endorsement
 - (d) T-5 Leasehold Mortgagee Policy Endorsement
 - (e) T-13 Mortgagee Title Policy Binder on Interim Construction Loan
 - (f) T-16 Mortgagee Policy Aggregation Endorsement
 - (g) T-17 Planned Unit Development Endorsement
 - (h) T-19 Restrictions, Encroachments, Minerals Endorsement
 - (i) T-19.2 Minerals and Surface Damage Endorsement
 - (j) T-19.3 Minerals and Surface Damage Endorsement
 - (k) T-30 Tax Deletion Endorsement

- (l) T-31 Manufactured Housing Endorsement
 - (m) T-31.1 Supplemental Coverage Manufactured Housing Unit Endorsement
 - (n) T-33 Adjustable Mortgage Loan Endorsement
 - (o) T-35 Revolving Credit Endorsement
 - (p) T-36 Environmental Protection Lien Endorsement
 - (q) T-38 Mortgage Policy of Title Insurance P-9.b.(3) Endorsement Form
 - (r) T-39 Balloon Mortgage Endorsement
 - (s) T-42 Equity Loan Mortgage Endorsement
 - (t) T-42.1 Supplemental Coverage Equity Loan Mortgage Endorsement
 - (u) T-43 Texas Reverse Mortgage Endorsement
 - (v) T-47 Residential Real Property Affidavit
- 4.14 (a) If the Title Commitment references any restrictions containing homeowners association dues, maintenance charges, and/or assessment language, Lender requires that such lien(s) be itemized and shown in Schedule “B.” The Settlement Agent must obtain a letter signed by a representative of the homeowners association, or appropriate entity, indicating that there are no past due homeowners association fees, maintenance charges or assessments.
- (b) If the maintenance charge or assessment is not subordinated to the Lender’s lien, do not close the loan without Lender’s written authorization. If Lender authorizes the closing, obtain a letter from the appropriate entity agreeing to provide Lender or its assigns with notice of any default or unpaid dues, charges or fees. In addition, the holder of any superior encumbrance must agree in writing to provide the Lender or its assigns with sixty (60) days advance notice (at Lender’s address as set forth in the deed of trust or a different address if so provided) of any pending sale, foreclosure action, or litigation regarding the property.
- 4.15 Unless provided to the contrary in the Supplemental Closing Instructions, the property may not be located on a private road, and there may not be any limitations or conditions affecting access to a public road.
- 4.16 Without Lender approval, no exceptions may be taken for adverse possession claims, bankruptcies, fraudulent transfers, filed lis pendens claims, unpaid liens or assessments. Provided that an acceptable survey is furnished to the Settlement Agent, **no exception may be taken** for any titles or rights asserted by anyone to tidelands; or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans; or to any land extending from the line of mean low tide to the line of vegetation; or to lands beyond the line of the harbor or bulkhead lines as established or changed by any government; or to filled-in lands; or artificial islands; or to riparian rights; or the rights or interests of the State of Texas or the public generally in the area extending from the line of mean low tide to the line of vegetation or their right of access, thereto, or right of easement along and across the same without locating a vegetation line on the survey without obtaining Lender’s written consent to closing the transaction. Any inspection fees required for such coverage must be paid by the Borrower.
- 4.17 If a Title Policy (Loan Policy of Title Insurance) is issued to include the cost of immediately contemplated improvements, an exception may be made for any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements to be placed on the property. An exception may also be taken for “pending disbursements.” Upon completion of the improvements, the owner’s acceptance thereof and

satisfactory evidence that all bills for labor and materials have been paid, those exceptions must be eliminated from the Title Policy, and mechanics' and materialmen's lien coverage amended by issuance of the appropriate endorsement, the cost of which shall be paid by the Borrower. In no other event are such exceptions acceptable. If a satisfactory survey is required, after completion of the contemplated improvements to provide the survey coverage provided in Procedural Rules P-16 and P-2, then collect the cost of obtaining such survey from the Borrower at closing.

- 4.18 If, pursuant to Rule P-5.1 of the Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas ("Texas Title Rules"), either an exclusion to coverage is made in Schedule A, Item 2 or an exception to coverage is made in Schedule B, the lender hereby requests pursuant to Rule P-50.1 of the Texas Title Rules for the title company to issue its Minerals and Surface Damage Endorsement (T-19.2) if the Property insured is one acre or less and is improved or intended to be improved for one-to-four family residential use. If the Property is improved or intended to be improved for office, industrial, retail, mixed use retail/residential or multifamily purposes, lender requests that the title company issue the Minerals and Surface Damage Endorsement (T-19.3).
 - 4.19 If a mineral lease term has expired, no exception may be made for mineral leases. If the lease term is still in effect, there must be a designated drilling site or an Affidavit of Non-Production must be signed by the seller/owner of the property.
 - 4.20 If an exception is being taken for a joint drive-way, or party or common wall agreement filed of record, the agreement must be approved by Lender prior to closing.
 - 4.21 The effective date of the Title Policy must be the date of the recording of the security instrument(s). If any documents must be re-recorded, the Settlement Agent agrees to provide an endorsement showing both the original and re-recorded documents.
 - 4.22 In the refinance of homestead property, the Title Policy must not take exception to outstanding liens, which must be paid in full. The outstanding principal balance, including accrued but unpaid interest on an existing mechanic's lien or deed of trust, must not be less than Lender's loan amount excluding financed closing costs. Any balance owing at the time of closing on the existing lien which is being renewed and extended must be paid in full.
 - 4.23 If the Owner's Title Policy is rejected by Borrower, the Borrower must sign a rejection statement acknowledging that the Mortgage Title Policy does not provide title insurance to the Borrower.
 - 4.24 **NO REVERSIONARY INTEREST, RIGHTS OF FIRST REFUSAL, OR RIGHTS OF RE-ENTRY THAT COULD RESULT IN A FORFEITURE OF TITLE OR ANY PART OF TITLE TO THE PROPERTY WHICH IS NOT SUBORDINATED TO LENDER'S INSURED LIEN ARE ALLOWED.**
 - 4.25 Delete Section 13 of the Conditions and Stipulations relating to arbitration.
 - 4.26 **Title Policy must be received by Lender no later than 30 days from date of closing.**
5. **SURVEY REQUIREMENTS.** On all loans covering individual units and approved PUDs, one (1) original location survey certified by a licensed surveyor will be required prior to issuing closing papers.

The following survey requirements must be met:

- 5.1 Survey must be no more than 120 days old as of the date of closing.
 - 5.2 Survey must show the location of buildings, driveways, fences, easements, encroachments, setback lines, beginning point, relation to adjacent properties and street intersections, north point, surveyor's original seal, lot and block number, recorded map information and indicate where property abuts public street with permanent access.
 - 5.3 Survey must contain certification by surveyor as to whether property is located in a flood hazard area. If survey indicates flood insurance is required, refer to paragraph on Flood Insurance Requirements. If survey does not contain certification as to flood insurance, a separate certification must be furnished from the surveyor.
 - 5.4 If the survey shows a discrepancy from the property description of more than 2% in the front lot line or 5% in any other lot line, or a change in the description from that appearing in the Supplemental Closing Instructions, you should obtain the Lender's approval prior to closing.
 - 5.5 The Survey must show the name of the Borrower.
 - 5.6 For Condominium Loans, a copy of the recorded map showing the location of the unit is required in lieu of a Survey.
6. **HAZARD INSURANCE.** A comprehensive Texas Homeowner's Form-B policy insuring the property in an amount at least equal to the loan amount is required.
- 6.1 The original hazard insurance policy with the first year's premium paid receipt must be obtained by Settlement Agent prior to disbursement. Binders are not acceptable unless: (a) (i) issued by a "licensed local recording agent" (as defined by of the Texas Insurance Code), who has been (ii) appointed to represent and (iii) authorized to issue binders by the insurance company whose name appears on the binder, and (iv) such agent has furnished appropriate evidence to the Lender confirming (i) through (iii) above;
(b) the binder is accompanied by evidence of payment of the required premium; and (c) the binder will be replaced by an original insurance policy for the required coverage within 30 days of the date of issuance of the binder. The property's legal description, street address, city, county, state, zip, and Borrower's name indicated on the hazard insurance binder and hazard insurance policy must be identical to that contained within the loan documents. Unless instructed otherwise in the Supplemental Closing Instructions, the mortgagee clause of the binder and hazard insurance policy should exactly match the name and address of Lender indicated in the deed of trust, unless a different Lender name and address is specified in the Supplemental Closing Instructions. Additionally, the loan number must be included on the binder and hazard insurance policy. If any errors are found, the Settlement Agent agrees to obtain, prior to funding, a binder or endorsement correcting such error.
 - 6.2 The Settlement Agent must confirm that the hazard insurance obtained by the Borrower is through a company acceptable to the Lender prior to closing. The binder and policy inception date must be on or before the date of the loan documents. The binder and policy must be signed by the insuring agent, and not contain any coinsurance clauses.

- 6.3 On condominium units, provide an original Certificate of Insurance with the original signature of the insuring agent. The certificate must be dated prior to or on the date of disbursement.
- 6.4 Lender does not escrow for hazard insurance for condominium loans, but will require the Settlement Agent to obtain: (i) an endorsement showing that the condominium unit (property) is included in the condominium association's master fire insurance policy; (ii) an acceptable endorsement adding Lender to the mortgagee clause; (iii) evidence of fidelity insurance on the Owners Association; and (iv) evidence that the policy was in effect on or before the date of the loan documents.
7. **FLOOD INSURANCE.** If any portion of the property is located within a Flood Hazard Area (Zone A or V), flood insurance is required.
- 7.1 Either the original flood insurance policy or a copy of the application, along with the paid receipt for the first year's premium, must be obtained before disbursement. The insured amount should be the lesser of the loan amount or maximum amount obtainable.
- 7.2 The property's legal description, street address, city, county, state, zip, and Borrower's name indicated on the flood insurance policy must be identical to that contained within the loan documents. The mortgagee clause of the flood insurance policy (unless instructed otherwise in the Supplemental Closing Instructions) must exactly match the name and address of Lender indicated in the deed of trust.
8. **TRUTH-IN-LENDING.** All closings are subject to compliance with the Truth-in-Lending Act and Regulation Z, as amended. The Settlement Agent is expected to be familiar with Regulation Z. As required under the Truth-in-Lending Act and Regulation Z, a Disclosure Statement with estimates has been delivered to the Borrower(s) within three (3) days of loan application. It is the Lender's practice to make a new Truth-in-Lending Disclosure Statement at closing, based on exact figures. If the closing will take place on a day other than that set forth in the Truth-in-Lending Disclosure Statement, call the Closing Coordinator for correct figures and information. Prior to consummation, a copy of the Truth-in-Lending Disclosure Statement must be provided to the Borrower(s) for keeping by the Borrower(s). The completed Truth-in-Lending Disclosure Statement must be signed by the Borrower(s) at closing prior to the execution of any of the other documents. The Borrower(s) must be given a copy of this Disclosure Statement. Contact the Closing Department if any portion of the Truth-in-Lending Disclosure Statement appears to be inaccurate.

RIGHT OF RESCISSION: When a loan is closed to refinance a lien on the Borrower's primary residence, the Borrower has the right to rescind the transaction until midnight of the third business day following the signing of all closing documents. **The Settlement Agent is not authorized to accept a rescission on behalf of the Lender, unless required by state law.**

Three (3) business days prior to disbursement of the loan, the Settlement Agent shall give a completed copy of the security instrument and two (2) copies of the Notice of Right of Rescission to each obligor (and each person holding an ownership interest in the property subject to the security interest). If an Election Not to Cancel or Rescind was provided, it must be signed and dated by each obligor after three (3) business days have elapsed, then the disbursement of the loan may be completed. The Notice of Right of Rescission forms containing the executed Election Not to Cancel or Rescind must be forwarded to the Lender with the other closing documents. **The rescission period may not be waived unless approved in writing by the Lender.**

If any of the Signatories elect to rescind the transaction, do not disburse funds. **Take no further action except** to immediately notify the Lender and return loan proceeds. Right of Rescission forms, where applicable, should be completed, executed, and enclosed with the loan document package.

9. **TERMITE CERTIFICATION.** A wood destroying insect report authorized in the jurisdiction in which the property is located, signed by the inspector, and showing no active infestation or proof of treatment for the property which does show active infestation must be furnished prior to closing for homes over one (1) year old. A Termite Soil Treatment Guarantee must be furnished prior to closing for newly constructed homes (one (1) year and under). **Applicable only if requested in Supplemental Closing Instructions Section IV. Additional Requirements.**
 - 9.1 All structures on the property, including any detached garage, must be inspected. The report must not be more than ninety (90) days old and must contain a certification that the property is “free from evidence of active infestation, infection or adverse conditions.”
 - 9.2 On Conventional, FHA and VA insured loans, the Borrower must sign the Texas Wood Destroying Insect Report.
10. **HUD-1 SETTLEMENT STATEMENT.** Furnish three (3) certified copies of the HUD-1 Settlement Statement with original signatures by Borrower, Seller and Settlement Agent.
 - 10.1 The HUD-1 Settlement Statement form promulgated by the U.S. Department of Housing and Urban Development with a certification that it reflects an accurate statement of all receipts and disbursements must be used in all transactions (including refinance loans). For loan with no Seller, use the HUD-1A Settlement Statement form.
 - 10.2 The HUD-1 or HUD-1A Settlement Statement must be typed. The type of loan, general file number, loan or process number, and mortgagee insurance case number, if applicable, must be indicated. The correct name and address, including street, city, county, state, and zip code must be shown for Borrower, Seller, Lender and Settlement Agent. The settlement date should be the date that the security instrument/deed of trust becomes effective as between the Borrower and the Lender. The date funding is authorized by the Lender must also be shown.
 - 10.3 Recording fees must itemize the charges for each instrument being recorded. Property taxes must be broken down for each taxing authority paid. If taxes are assessed at an unimproved and improved rate during the tax year, indicate on the HUD-1 Settlement Statement the charges as follows: “Unimproved taxes for ___ months at \$ _____; and improved taxes for ___ months at \$ _____.”
 - 10.4 All settlement charges listed on page 2 of the HUD-1 Settlement Statement must show the party to whom the charge is paid. All POCs (Paid Outside of Closing items) must be shown on the HUD-1 Settlement Statement. Unless indicated otherwise in the Supplemental Closing Instructions, collect per diem interest from the date of funding authorization (not the date of execution of the documents) up to and including the end of the month in which the loan closed. Do not collect per diem interest for the first day of the month following the closing. Interest charges must be accurately reflected in the HUD-1 Settlement Statement. If necessary, amend and initial the statement to reflect the correct funding date, interest amount due, and totals.

10.5 Borrower(s) must pay all recurring closing costs (i.e., “prepaids”) at closing on FHA and conventional loans. Recurring closing costs include prorated and escrow reserves for taxes, initial premium and escrow reserves for hazard insurance, flood insurance and mortgage insurance premiums and per diem interest. On VA transactions, and only if specified in the sales contract, the Seller is allowed to pay for Borrower’s prepaid items. Regardless of any contrary statement in these Master Closing Instructions, on FHA and VA loans, Borrower must not be allowed to pay more than the government allowed closing costs. If you have any doubt or question regarding what is an appropriate FHA or VA closing cost, please contact the Lender. On FHA and VA refinances, Borrower must at least pay the prepaids IN CASH at closing. If escrow accounts are waived, there must be a hazard insurance policy for twelve (12) months (with a paid receipt) in effect at closing.

10.6 Unless instructed otherwise in the Supplemental Closing Instructions, collect the following prepaids:

- (a) Property tax escrow: Collect from October 1st through the month of closing, plus two (2) months escrow reserve. Prorate taxes between the Borrower/Buyer and Seller according to the terms of their sales contract.
 - (i) New construction — If assessed value is available, collect pro rata amount based on improved basis, otherwise base proration on estimate.
 - (ii) Existing structure — If available, collect pro rata amount based on current assessed value, otherwise use prior year’s taxes for estimate.
- (b) First year’s hazard insurance premium plus two (2) months for escrow reserve.

If the Lender has indicated an aggregate accounting adjustment, collect the following escrow items:

- (a) First year’s flood insurance premium plus two (2) months for escrow reserve.
- (b) First year’s mortgage insurance premium plus two (2) months for escrow reserve or FHA MIP indicated.
- (c) FHA MIP for transactions using periodic payments of mortgage insurance (i.e., condominium units) - collect the amount indicated in the Supplemental Closing Instructions.
- (d) Annual Assessments - If a homeowners association or municipal authority has not subordinated its lien, collect from date last paid through the settlement date plus two (2) months reserve.

10.7 The Settlement Agent responsible for closing the transaction must furnish a Form 1099 to the appropriate Internal Revenue Service Center reporting the gross proceeds of the sale and any other necessary information. The Lender will not report the transaction for the Settlement Agent.

11. **WARRANTY OF COMPLETION OF CONSTRUCTION.** If FHA or VA approves plans and specifications prior to beginning of construction, and inspects property during construction, the Warranty

of Completion of Construction in Substantial Conformity with Approved Plans and Specifications (VA Form 26-1859; HUD Form 92544) will be required. The name of the builder must be included in the specifications.

12. **ESCROW FOR COMPLETION.** No loan should close with funds escrowed for completion unless prior approval has been given. If approved, escrowed funds must be held by the Settlement Agent who will act as escrow agent. Requirements for escrow documentation will vary based on the type of loan.
13. **VA LOANS.** In addition to other closing requirements, the following will apply on VA loans:

Vesting of Title: The title encumbered with a VA loan must be vested **in the name of the veteran** or the veteran and spouse. If title is vested in any other manner, approval must be given by The Department of Veteran Affairs and the Lender's Closing Department prior to closing.

VA Form 26-1820 (Report and Certification of Loan Disbursement): This form will be required on each VA loan. The form must be completed accurately and signed by the veteran and the Lender or an officer of the Settlement Agent's firm. Be sure all blanks are completed.

14. **FHA LOANS.** In addition to other closing requirements, the following will apply on FHA loans:

FHA Firm Commitment (FHA Form 92900-A): The Mortgagors should read, then sign both copies in the space provided under the Borrower's Certificate. Care should be taken to ensure that the appropriate blocks and blanks have been completed prior to signing. All parties signing the note and/or taking title must sign. Names and initials of signers must be the same as shown at top of the Firm Commitment and other closing documents. No loan should close after the expiration date of the Firm Commitment. Any contingencies included in the commitment must be complied with prior to closing. **Both copies of the signed Firm Commitment must be returned with the closing documents.**

NOTICE ON FHA LOANS: IF USING YOUR HUD-1 SETTLEMENT STATEMENT RATHER THAN THE ONE SENT WITH THIS CLOSING PACKAGE, BE SURE THE FOLLOWING LANGUAGE IS INCLUDED ON THE LAST PAGE:

Application for Commitment for Insurance Under the National Housing Act

I have carefully read the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Borrower

Seller

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent

Date

Applicable to FHA Insured and VA Guaranteed Loans:

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details see Title 18 U.S. Code Section 1001 and Section 1010.

BORROWERS CANNOT PAY COURIER/DELIVERY COSTS ON VA LOANS. THESE COSTS CANNOT APPEAR ON THE HUD-1 SETTLEMENT STATEMENT.

15. **EXECUTION OF DOCUMENTATION.**

- 15.1 Settlement Agent must verify by pictorial identification the identity of all the parties (as more fully described in Section 1).
- 15.2 Lender requires prior notification of all powers of attorney to be used in the transaction. The Department of Veterans Affairs must approve any powers of attorney to be used in a VA-guaranteed transaction. If the use of a power of attorney is requested prior to documents being prepared, certified copies of the power of attorney for the Borrower must be reviewed and approved by the Lender. Original powers of attorney must be recorded in the same county(ies) as the security instrument is recorded, and returned to the Lender. In addition, if a durable power of attorney providing for third party indemnification is used, the power of attorney must also be recorded in the county in which the principal resides. The returned original(s) will be kept by the Lender. After closing, certified copies of all powers of attorney should be sent along with the rest of the loan package to the Lender.

Unless Lender authorizes in writing otherwise, any Power of Attorney used by a Borrower must meet the following requirements:

BORROWER(S) POWER-OF-ATTORNEY (POA)

A Power-of-Attorney (POA) is a written instrument authorizing an individual to act on a person's or entity's behalf as his/her/its agent or Attorney-in-Fact (AIF). The following rules apply when reviewing Borrower(s) POA document/signatures (also see attached sample POA):

1. POA must be signed by the Borrower(s) and name must match Borrower(s) name on Note;
2. POA must state the name of the designated AIF;
3. The designated AIF must be the same person signing the Note on behalf of the Borrower(s);
4. The effective date of the POA must be the day of or before the date of the Note (cannot be dated *after* Note date); and
5. POA must be property notarized.

The signature of an Attorney-in-Fact (AIF) is acceptable as long as "Attorney-in-Fact" (AIF) or "Power-of-Attorney" (POA) is indicated beside the AIF's printed or signed name and an acceptable matching POA document is received.

PASS
<u>Jane Smith as Attorney-in-Fact for Chris Jones pursuant to POA dated XX xx, XXXX</u> Chris Jones
<u>Chris Jones by Jane Smith, Attorney-in-Fact (or POA)</u> Chris Jones
<u>Chris Jones by Jane Smith, Attorney-in-Fact (or POA)</u> Chris Jones, by Jane Smith as his Attorney-in-Fact (or POA)
<u>Jane Smith, Attorney-in-Fact for Chris Jones</u> Chris Jones by Jane Smith as his Attorney-in-Fact (or POA)
<u>Jane Smith, Attorney-in-Fact (or POA)</u> Chris Jones
<u>Chris Jones by Jane Smith*</u> Chris Jones, by Jane Smith as his Attorney-in-Fact (or POA)
<u>Jane Smith*</u> Chris Jones, by Jane Smith as his Attorney-in-Fact (or POA)
FAIL
<u>Jane Smith</u> Chris Smith
<u>Jane Smith</u> Jane Smith, Attorney-in-Fact
<u>Chris Jones</u> Chris Jones by: Jane Smith, Attorney-in-Fact

*While it is not always required to reflect AIF or POA on the signature line, it is strongly preferred.

Please use the following language for acknowledgments for individuals using a power of attorney:

This instrument was acknowledged before me on the _____ day of _____, _____ by JANE SMITH AS ATTORNEY-IN-FACT FOR JOHN DOE.

- 15.3 The documents must be signed in the order indicated in the Supplemental Closing Instructions attached hereto. Specifically, all truth-in-lending disclosures, Texas state-specific disclosures and the Notice of No Oral Agreements **must be signed prior** to the note, deed of trust or other loan documents.
- 15.4 All documents and riders must be signed exactly as the name is typed. Do not make any deletions, amendments, erasures, strikeouts, or additions to the documents without Lender's approval. If possible, a deletion should be made by marking one line through the language to be deleted. If approved, said deletions, amendments, erasures, additions and/or strikeouts must be initialed by all parties required to sign that document. Pages of the note and deed of trust which

do not contain an original signature must be initialed by the Borrowers. Obtain the initials of an appropriate party on all other documents indicating a place for party initialing. Do not allow the Borrower to sign any documents containing blanks.

- 15.5 Acknowledgments should be dated on or after the date of document execution. Documents must not be signed or notarized prior to the date of the documents. **All documents must be signed and the transaction otherwise closed and funded prior to the “Document Expiration Date” indicated on the first page of the Supplemental Closing Instructions.** All notarized documents must bear the seal, expiration date and printed name of the notary, and be signed by the notary, in accordance with Texas law.
- 15.6 Record the Deed (with vendor’s lien assigned to Lender), if applicable, and any other documents required to vest title in the Borrower. If any excess funds are collected, but are not required to record or insure title, the funds must be returned to the party that paid the fees. Record the deed of trust (and assignment, concurrently, if applicable). Pay off, with loan proceeds if necessary, and obtain the release, discharge or reconveyance of all items shown on Schedule “C” of the Title Commitment.
- 15.7 Documents to be recorded in this transaction must be presented to the county clerk in the following order:
- (a) Power of Attorney
 - (b) Deed
 - (c) Deed of Trust (with any Rider(s))
 - (d) Assignment of Lien
 - (e) Supporting documents required to be filed
 - (f) Secondary financing (if any)
- 15.8 If a UCC-1 Financing Statement is included in the document package, it must be filed according to Uniform Commercial Code revised Article 9.

Settlement Agent must properly file the documents requested by Lender to be recorded, and obtain from Borrower and/or Seller the required filing fees. Any deed used in this transaction must be returned to the Borrower. Powers of attorney, the deed of trust, and any assignment of lien must be returned after recording to Lender or the party indicated by Lender.

16. **COPIES.** Unless more than one (1) copy is required by these Closing Instructions, each Borrower must be provided with one (1) copy of the note, deed of trust, rider(s) (if applicable), warranty deed (if applicable), survey, HUD-1 Settlement Statement, disclosures and all other documents required by the Lender or Settlement Agent to be signed by Borrower. Prior to funding approval, Settlement Agent must provide a certified copy of each restriction, easement, mineral reservation or lease, and each and every recorded item shown on Schedule “B” of the Title Commitment and deliver same to Lender unless specified otherwise in the Supplemental Closing Instructions. Lender must be provided with two (2) certified copies of all documents required as a condition of the loan closing. Do not bill the Lender for additional certified copies.
17. **FUNDING AND DISBURSEMENT.** After a satisfactory review, the loan will be funded pursuant to the procedure stated in the Supplemental Closing Instructions. The complete package is due in Lender’s office on the business day indicated in the Supplemental Closing Instructions.

Forward a check to Lender in an amount equal to the sum of all Lender fees and escrows which have not/or will not be deducted from Lender's funds, including the indicated monthly escrows and interest adjustment, less any refund items referenced. Indicate the amounts used for monthly prorations. Also, itemize the amounts being remitted to Lender on the check being sent to Lender or by separate letter. Directly pay all other items according to the Supplemental Closing Instructions and invoice(s). On the back of the HUD-1 (Line 205 for Borrower and Line 508 for Seller), show any "Escrows to Lender" as indicated above. If the recordable documents have not been recorded within 72 hours of disbursement of funds to you, or you are aware that the loan will not fund within 72 hours of disbursement of loan proceeds, you are responsible for contacting the Lender and returning the loan proceeds. You will be responsible for daily interest on these proceeds from the date of disbursement.

THERE IS TO BE NO EXPENSE TO LENDER IN CONNECTION WITH THIS TRANSACTION, UNLESS SPECIFICALLY AUTHORIZED BY THE LENDER. THE LENDER RESERVES THE RIGHT TO CANCEL OR MODIFY THESE INSTRUCTIONS AT ANY TIME WITH PROPER WRITTEN NOTICE TO SETTLEMENT AGENT.

IF YOU ARE UNABLE TO CLOSE AND FUND THE LOAN AS SPECIFIED, CONTACT THE LENDER IMMEDIATELY.

18. **LENDER'S PRIVACY REQUIREMENTS.** Maintaining public confidence is important to the success and well-being of Lender. Additionally, Lender is bound by certain state and federal laws and regulations that require Lender and Lender's employees to transact business mindful that information shall be properly safeguarded. These closing instructions hereby put Settlement Agent on notice that the laws, regulations and safeguards that apply to Lender and its employees equally apply to vendors, agents and service providers [VASPs] of Lender. In conducting the business of Lender, certain customer information is obtained, used, created, stored and disposed. It is expected and required that all persons or entities with access to Lender's customer information shall keep that information confidential. VASPs are not authorized access to Lender's customer information except as is minimally necessary to complete assigned work. VASPs are not to make unauthorized copies of customer information. VASPs are not to discuss customer information with anyone other than authorized persons. Casual conversation about customers and customer information is prohibited and should be avoided even with other VASPs or Lender employees. VASPs shall not sell or otherwise share any customer information with any third party persons or companies. It is understood by Settlement Agent that Lender's customer information shall only be obtained, used, stored and disposed by methods and means that are necessary and permitted in order to conduct the business of Lender and Settlement Agent. All such access shall be in a safe guarded manner consistent with Lender's business practices and generally accepted professional business standards.

TEXAS HOME EQUITY LOAN CLOSING INSTRUCTIONS ADDENDUM

IT IS THE RESPONSIBILITY OF THE SETTLEMENT AGENT TO SATISFY ALL THE REQUIREMENTS STATED HEREIN BEFORE EXECUTION OF THE LOAN DOCUMENTATION. THE DOCUMENTS AND ADHERENCE TO THE CLOSING INSTRUCTIONS ARE NECESSARY FOR LIEN VALIDITY AND CAN NOT BE WAIVED BY ANY BORROWER, OWNER OR OWNER'S SPOUSE.

This Texas Home Equity Loan Closing Instructions Addendum ("Addendum") supplements and amends the Master Closing Instructions and the Supplemental Closing Instructions ("Closing Instructions") attached hereto. In the event of a conflict, the instructions contained in this Addendum control.

SECTION I: ADDITIONAL DOCUMENTATION

- A. In addition to the documentation listed in the Closing Instructions, the following documents are enclosed. These documents must be executed by Borrower in the order listed below. Except for the Texas Home Equity Election Not to Rescind (A.7 below) or unless indicated otherwise by Lender, all such documents must be dated as of the date of settlement. **ALL BLANKS CONTAINED IN DOCUMENTS PREPARED BY THE SETTLEMENT AGENT MUST BE COMPLETED AT SETTLEMENT BEFORE BORROWER'S SIGNATURE. DO NOT ALLOW ANY BORROWER/OWNER/OWNER'S SPOUSE TO EXECUTE ANY LOAN DOCUMENT BEFORE THE DATE INDICATED ON THE NOTE.** No alterations or erasures may be made to any legal documents. All documents requiring execution in the presence of a notary public shall be so executed and said notary shall complete the proper notary acknowledgment and affix the proper seal to such documents. If there is any question as to the identity of the person executing any document, the responsibility of determining that person's identity is that of the notary public and the Settlement Agent. Such documents are conditionally delivered to Settlement Agent only for loan settlement and should under no circumstances leave Settlement Agent's possession or control except for delivery to Lender unless Settlement Agent is in receipt of instructions otherwise from Lender. Powers of Attorney are not allowed unless specifically approved in writing by Lender. **BORROWER MUST BE GIVEN COPIES OF THE FINAL LOAN APPLICATION AND ALL DOCUMENTS BORROWER SIGNS AT CLOSING AFTER BORROWER SIGNS SAME AND BEFORE BORROWER LEAVES THE CLOSING. ALL FEES AND CHARGES REQUIRED TO BE PAID AND KNOWN BY SETTLEMENT AGENT MUST BE REFLECTED ON THE SETTLEMENT STATEMENT (RESPA Loans) or Closing Statement (Non-RESPA Loans). THE SETTLEMENT STATEMENT (RESPA Loans) or Closing Statement (Non-RESPA Loans) OR A FEE AND CHARGE DISCLOSURE MUST BE FAXED TO LENDER FOR APPROVAL PRIOR TO CLOSING. AFTER LENDER APPROVAL, NO CHARGES OR FEES CAN BE ADDED TO THE SETTLEMENT STATEMENT (RESPA Loans) or Closing Statement (Non-RESPA Loans) WITHOUT LENDER'S WRITTEN CONSENT.**
1. **Acknowledgment Regarding Fair Market Value of Homestead Property** - A value must be filled in before each Property owner signs the form. Return original to Lender. Give each party a copy.
 2. **Texas Home Equity Affidavit and Agreement** - Obtain all Property owner's and their spouse's signatures. If any party can not swear to each of the matters stated therein, do not proceed with the closing and

immediately advise Lender. If necessary, the closing may be rescheduled to accommodate the requirement of the law. If they can swear to each of the matters therein, obtain their signatures under jurat. Record original. Return two (2) certified copies to Lender. Give each party a copy after signature.

3. **Texas Home Equity Notice of Right to Rescind** - All Property owners and their spouse must sign this form. Return signed original to Lender. Give each party a copy after signature. (Not required unless Lender requires)
 4. **Texas Home Equity Note** - All indicated parties must sign. Return original and two (2) certified copies to Lender. Give each Borrower a copy after signature.
 5. **Texas Home Equity Security Instrument** - All indicated parties must sign. File original in local Real Property records. Return two (2) certified copies to Lender. Give each Borrower a copy after signature.
 6. **Receipt of Copies** - All indicated parties must sign. Return original to Lender. Give Borrower a copy after signature.
 7. **Texas Home Equity Election Not to Rescind** - All indicated parties must sign this form, but only after three (3) business days have expired. On the fourth (4th) business day after closing, the parties, if they have elected not to rescind/cancel under either their federal Right to Cancel or their state Right to Rescind should return or fax this Election Not to Rescind to the Settlement Agent. This may not be dated or signed prior to the fourth (4th) business day after closing.
- B. If applicable, documents referenced below are also enclosed. Obtain the required signatures and return originals to Lender. Give copy after signature to Borrower:
1. **Notice Concerning Extensions of Credit (Spanish Version)** - All indicated parties must sign. Return original to Lender. Give each Borrower a copy after signature.
 2. **Rural Homestead Affidavit** - All indicated parties must sign this form and swear to the facts stated therein. Return original to Lender. Give each Borrower a copy after signature.
 3. **Acknowledgment Regarding Voluntary Repayment of Existing Debt** - All indicated parties must sign this form. Return original to Lender. Give Borrower a copy after signature.
 4. **Discount Point Acknowledgment** - All indicated parties must sign this form. Return original to Lender. Give each Borrower a copy after signature.
 5. **Affidavit of Milk Production on Homestead Property** - All Property owners, their spouses and any borrowers must sign this form and must swear to the facts stated therein. Return original to Lender. Give each Borrower a copy after signature.
 6. **Certificate From Originating Lender Regarding Compliance** - All indicated parties must sign. Return original to Lender.

SECTION II: ADDITIONAL REQUIREMENTS

- A. The following conditions must be satisfied prior to execution of the documentation:
1. **Survey** - Obtain a survey according to the requirements of the Master Closing Instructions. Determine that said description matches the Property description used in the loan documents.
 2. **Appraisal** - Attach to the Acknowledgment Regarding Fair Market Value of Homestead Property before Borrower's execution, a copy of the appraisal as provided to the settlement agent. Give Borrower a copy with a copy of appraisal.
 3. **Hazard Insurance** - Obtain a copy of the existing insurance policy. Determine if it is a comprehensive Texas Homeowners Form – B policy. If the existing policy is due to expire within 60 days of closing, you must also provide a paid receipt for next year's premium.
 4. **Insured Closing Letter** - Provide Insured Closing Letter to Lender according to Texas Title Insurance Procedural Rules.

B. The following conditions must be satisfied after funding:

1. **Title Insurance** - According to Procedural Rule P-44, add Equity Loan Mortgage Endorsement (T-42) to the Mortgagee Policy. Make no deletions thereto. Add subparagraph (f) of paragraph 2 to the Equity Loan Mortgage Endorsement (T-42) as allowed by Procedural Rule P-44.
2. **Title Insurance (Supplemental Coverage Endorsement)** - According to Procedural Rule P-47, add Equity Loan Mortgage Endorsement (T-42.1) to the Mortgagee Policy. Make no deletions thereto. The requirements for the Equity Loan Mortgage Endorsement (T-42.1) are as follows:
 - i. **Receipt of Closing Instructions Signature Before Specified Date:** Settlement Agent acknowledges receipt of this Addendum, the Supplemental Closing Instructions and the Master Closing Instructions prior to the execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note which is being executed at the office of the title insurance company. Settlement Agent shall not allow any Borrower, Owner or Owner's Spouse to execute any loan document before the date indicated on the Texas Home Equity Note.
 - ii. **Loan Proceeds Disbursement Before Fourth (4th) Day:** Settlement Agent shall not disburse funds before the fourth (4th) business day after closing.
 - iii. **Election Not to Rescind:** All indicated parties must have executed the Texas Home Equity Election Not to Rescind. This form may not be dated or signed prior to the fourth (4th) business day after closing.
 - iv. **Document Copies:** Settlement Agent shall give Borrower/Owner copies of the final loan application and all documents related to the extension of credit which Borrower/Owner signs at closing and provide the same on the date that the Borrower/Owner executed the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby.
 - v. **Settlement Statement (RESPA Loans) or Closing Statement (Non-RESPA Loans):** Settlement Agent shall fax or send fee and charge disclosure or settlement statement to the Lender for approval prior to execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby. Settlement Agent shall not collect or disburse any fees not shown on the final settlement statement prepared by the title insurance company and approved by Lender.
 - vi. **Blanks in an Instrument:** Settlement Agent shall ensure there are no blanks left to be filled in (other than signature lines, if any, for execution by Lender) in the following instruments when executed by Borrower/Owner:
 - (a) any instrument prepared by the Settlement Agent or title insurance company; (b) the Acknowledgment Regarding Fair Market Value of Homestead Property; (c) the Texas Home Equity Security Instrument; (d) the Texas Home Equity Note; and (e) any affidavits of compliance with Section 50(a)(6), Article XVI, of the Texas Constitution including but not limited to the Texas Home Equity Affidavit and Agreement, Rural Homestead Affidavit (if applicable), and Affidavit of Milk Production on Homestead Property (if applicable).
 - vii. **Attachment of Appraisal or Evaluation:** Settlement Agent shall attach the appraisal or evaluation of the fair market value of the Property to the Written Acknowledgment Regarding Fair Market Value of Homestead Property.
 - viii. **Signature of Acknowledgment of Fair Market Value:** Settlement Agent shall ensure execution of the Acknowledgment Regarding Fair Market Value of Homestead Property by Borrower/Owner on the date of closing at the office of Settlement Agent or title insurance company.
 - ix. **No Land In Excess of Homestead Allotment:** Borrower/Owner and Owner's Spouse (if any) must swear to each of the matters stated in the Texas Home Equity Affidavit and Agreement or Settlement Agent receives a satisfactory surveyor's certificate of letter from a Texas Licensed Registered Professional Surveyor or a computation of the acreage made pursuant to a software program stating the exact amount of acreage or square footage of the land and whether or not the land is located within the boundaries of an incorporated municipality.

- x. **No Other Land with a Home Equity Mortgage:** Borrower/Owner and Owner's Spouse (if any) must execute and swear to each of the matters stated in the Texas Home Equity Affidavit and Agreement. The Property (as shown on Schedule A) shall not have been subject to a mortgage (executed by owner) securing an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI of the Texas Constitution that was closed within one year prior to loan closing.

RECEIPT OF CLOSING INSTRUCTIONS

SUBJECT TO ANY LIMITATIONS IMPOSED BY PROCEDURAL RULE P-35 OF THE BASIC MANUAL OF TITLE INSURANCE IN THE STATE OF TEXAS, THE UNDERSIGNED AS AUTHORIZED AGENT FOR SETTLEMENT AGENT HEREBY ACKNOWLEDGES RECEIPT OF AND AGREES TO FOLLOW ALL OF THE TERMS CONTAINED IN THIS ADDENDUM TO THE SUPPLEMENTAL CLOSING INSTRUCTIONS, THE COMMITMENT FOR TITLE INSURANCE ISSUED FOR THIS LOAN AND THE MASTER CLOSING INSTRUCTIONS WHICH ARE INCORPORATED HEREIN BY REFERENCE PRIOR TO THE REQUEST FOR LOAN FUNDING, UNLESS OTHERWISE AUTHORIZED HEREIN. THIS ACKNOWLEDGMENT DOES NOT OTHERWISE IMPLY A CERTIFICATION OR GUARANTY OF FACT, INSURANCE COVERAGE OR CONCLUSION OF LAW.

SETTLEMENT AGENT:

**(ORIGINAL SIGNATURE, NOT STAMP,
REQUIRED AS A CONDITION OF FUNDING.)**

By: _____
(Settlement Agent Signature)

CALCULATION OF AGGREGATE ESCROW ACCOUNT

Borrower(s) Name and Address: Jay Borrower 555 Main Avenue Arlington, TX 76017	Lender/Service Name and Address Some Texas Bank 2310 W Interstate 20, 100, Arlington, TX 76017 Phone: (817) 461-5500
Loan # 12345	Mortgage Insurance/Case Number

HUD-1 Reserve Account Entries

Based on information available to preparer, the following can be used for computing HUD-1 Settlement Statement.

HUD ACCOUNT	ACCOUNT DESCRIPTION	RESERVE MONTHS	AMOUNT PER MONTH	TOTAL RESERVE
1002	Homeowner's insurance	2	100.00	200.00
1004	Property taxes	2	166.67	333.34
	Aggregate reserve adjustment			(266.67)
	Total escrow required			266.67

Initial Escrow Account Disclosures

MONTH	PAYMENTS TO ESCROW ACCT	PAYMENTS FROM ESCROW ACCT	DESCRIPTION	ESCROW ACCT. BALANCE
Escrow Computation Year Beginning Balance:				266.67
Dec 2012	266.67	0.00		533.34
Jan 2013	266.67	0.00		800.01
Feb 2013	266.67	0.00		1,066.68
Mar 2013	266.67	0.00		1,333.35
Apr 2013	266.67	0.00		1,600.02
May 2013	266.67	0.00		1,866.69
Jun 2013	266.67	0.00		2,133.36
Jul 2013	266.67	0.00		2,400.03
Aug 2013	266.67	0.00		2,666.70
Sep 2013	266.67	0.00		2,933.37
Oct 2013	266.67	0.00		3,200.04
Nov 2013	266.67	0.00		3,466.71
Dec 2013	266.67	1,200.00	Homeowner's insurance	2,533.38
		2,000.00	Property taxes	533.38

Escrow Cushion	For Mtg Insurance	0 Mo.	Payments Beginning	Amount Owed	\$895.54
	For Other Items	2 Mo.	12/01/2012	Escrow Payment	\$266.67
	Cushion Amount	\$533.34			\$0.00
				Total Payment	\$1,162.21

Aggregate Escrow Account Entry

INITIAL ESCROW ACCOUNT DISCLOSURE STATEMENT

Borrower(s) Name and Address Jay Borrower 555 Main Avenue Arlington, TX 76017	Lender/Servicer Name and Address Some Texas Bank 2310 W Interstate 20, 100, Arlington, TX 76017 Phone: (817) 461-5500
Loan # 12345	Mortgage Insurance/Case Number

Your first payment is due December, 1 2012 and will be \$1,162.21, of which \$895.54 will be for the amount owed, and \$266.67 will go into your escrow account.

This is an estimate of activity in your escrow account during the next 12 months based on payments anticipated to be made from your account.

MONTH	PAYMENTS TO ESCROW ACCT	PAYMENTS FROM ESCROW ACCT	DESCRIPTION	ESCROW ACCT. BALANCE
Escrow Computation Year Beginning Balance:				266.67
Dec 2012	266.67	0.00		533.34
Jan 2013	266.67	0.00		800.01
Feb 2013	266.67	0.00		1,066.68
Mar 2013	266.67	0.00		1,333.35
Apr 2013	266.67	0.00		1,600.02
May 2013	266.67	0.00		1,866.69
Jun 2013	266.67	0.00		2,133.36
Jul 2013	266.67	0.00		2,400.03
Aug 2013	266.67	0.00		2,666.70
Sep 2013	266.67	0.00		2,933.37
Oct 2013	266.67	0.00		3,200.04
Nov 2013	266.67	0.00		3,466.71
Dec 2013	266.67	1,200.00	Homeowner's insurance	2,533.38
		2,000.00	Property taxes	533.38

Note: A 1,200.00 payment for Homeowner's insurance occurs once every 12 months, beginning Dec 2013.

Note: A 2,000.00 payment for Property taxes occurs once every 12 months, beginning Dec 2013.

(Please keep this statement for comparison with the actual activity in your account at the end of the escrow accounting computation year.)

Cushion selected by servicer: \$533.34

By signing below, I/we acknowledge receipt of a copy of this Initial Escrow Account Disclosure Statement.

 Signature Date
Jay Borrower

[Sign Originals Only]

**Social Security Administration
Authorization for the Social Security Administration (SSA)
To Release
Social Security (SSN) Verification**

Printed Name **Jay Borrower**

Date of Birth _____ SSN _____

I am conducting the following business transaction

[Identify a specific purpose. Example – seeking a mortgage from the Company – “identity verification” or “identity proof or confirmation” is not acceptable]

With the following company (“the Company”):

Company Name

Address

I authorize the Social Security Administration to verify my name and SSN to the Company and/or the Company’s Agent, if applicable, for the purpose I identified. The name and address of the Company’s Agent is Veri-tax, Inc., 17842 Irvine Blvd. Suite 238 Tustin, California 92780.

I am the individual to whom the Social Security number was issued or that person’s legal guardian. I declare and affirm under the penalty of perjury that the information contained herein is true and correct. I acknowledge that if I make any representation that I know is false to obtain information from Social Security records, I could be found guilty of a misdemeanor and fined up to \$5,000.

This consent is valid only for 90 days from the date signed, unless indicated otherwise by the individual named above. If you wish to change this timeframe, fill in the following:

This consent is valid for _____ days from the date signed. _____ (Please initial)

Signature Date
Jay Borrower

[Sign Originals Only]

Contact information of individual signing authorization:

Address: **555 Main Avenue**

City/State/Zip: **Arlington, TX 76017**

Phone Number:

**Texas Notice of Penalties for Making
False or Misleading Written Statement**

Loan # 12345

Warning:

Intentionally or knowingly making a materially false or misleading written statement to obtain property or credit, including a mortgage loan, is a violation of Section 32.32, Texas Penal Code, and, depending on the amount of the loan or value of the property, is punishable by imprisonment for a term of 2 years to 99 years and a fine not to exceed \$10,000.

I/we, the undersigned home loan applicant(s), represent that I/we have received, read, and understand this notice of penalties for making a materially false or misleading written statement to obtain a home loan.

I/we represent that all statements and representations contained in my/our written home loan application, including statements or representations regarding my/our **identity, employment, annual income, and intent to occupy the residential real property** secured by the home loan, are true and correct as of the date of loan closing.

Signature Date
Jay Borrower

[Sign Originals Only]

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by **Jay Borrower**.

Notary Public
Printed Name: _____
My commission expires: _____

TRUTH-IN-LENDING DISCLOSURE STATEMENT
(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Version: 01/30/2011

CREDITOR:	Some Texas Bank 2310 W Interstate 20, 100 Arlington, TX 76017	Loan Number:	12345
BORROWER(S):	Jay Borrower	Closing Date:	10/15/2012
MAILING ADDRESS:	555 Main Avenue, Arlington, TX 76017	Type of Loan:	Conv
PROPERTY ADDRESS:	555 Main Avenue, Arlington, TX 76017		

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you on your behalf	The amount you will have paid after you have made all payments as scheduled
6.0658%	\$90,856.18	\$124,072.88	\$214,929.06

INTEREST RATE AND PAYMENT SUMMARY

	Rate & Monthly Payment
Interest Rate	6.000%
Principal + Interest Payment	\$895.54
Est. Taxes + Insurance (Escrow)	\$266.67
Total Est. Monthly Payment	\$1,162.21

There is no guarantee that you will be able to refinance to lower your rate and payments.

VARIABLE RATE FEATURE: Your loan does not have a variable rate feature.

SECURITY: You are giving a security interest in the property located at:
555 Main Avenue, Arlington, TX 76017

ASSUMPTION: Someone buying the property cannot, unless otherwise provided by federal law, be allowed to assume the remainder of the loan on the original terms

LATE CHARGE: If your payment is more than 15 days late, you will be charged a late charge of 5.000% of the overdue payment of principal and interest.

PREPAYMENT: If you pay off early, you will not have to pay a penalty. You will not be entitled to a refund of part of the finance charge.

DEMAND FEATURE: N/A

REQUIRED DEPOSIT: N/A

FILING / RECORDING FEES: \$100.00(e)

TRUTH-IN-LENDING DISCLOSURE STATEMENT CONTINUED

INSURANCE:

The following insurance is required to obtain credit:

Property insurance

You may obtain the insurance from anyone you want that is acceptable to Lender.

(e) means an estimate

I/We have received these disclosures

Signature

Date

Jay Borrower

[Sign Originals Only]

APR & FINANCE CHARGE SUMMARY

Lender:
Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017

Closing: 10/15/2012
Funding: 10/19/2012
Loan Amount: \$125,000.00
Loan Term: 240
Note Rate: 6.000%
Type of Loan: Conventional
1st Payment: 12/1/2012
Loan # 12345

Borrower(s): Jay Borrower
Mailing Address: 555 Main Avenue, Arlington, TX 76017
Property Address: 555 Main Avenue, Arlington, TX 76017

Annual Percentage Rate	Finance Charge (1)	Amount Financed (2)	Total of Payments (3)	Total Sales Price (4)
6.0658%	\$90,856.18	\$124,072.88	\$214,929.06	

1. Finance Charges:	
Daily interest charges	267.12
Settlement or closing fee	125.00
Underwriting fee	350.00
Attorney fee for docprep	150.00
Title courier fee/Express mail fee	35.00
Total Prepaid Finance Charges	927.12
Plus Interest for life of loan	89,929.06
TOTAL FINANCE CHARGE	90,856.18
2. Calculation of Amount Financed:	
Total Loan Amount	125,000.00
Less Prepaid Finance Charges	927.12
TOTAL AMOUNT FINANCED	124,072.88
3. Calculation of Total of Payments:	
Finance Charge	90,856.18
Plus Amount Financed	124,072.88
TOTAL OF PAYMENTS	214,929.06
4. Calculation of Total Sales Price:	
N/A	
5. APR Tolerance	
Disclosed APR	6.090%
Ending APR	6.066%
Difference	0.024%
Result	IN TOLERANCE

AMOUNT FINANCED ITEMIZATION

LENDER:
Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017

BORROWERS:
Jay Borrower

ADDRESS:
555 Main Avenue
Arlington, TX 76017

PROPERTY ADDRESS:
555 Main Avenue, Arlington, TX 76017

Date: **10/15/2012**
Funding: **10/19/2012**
Mortgage Ins: **No**
Loan Amount: **\$125,000.00**
Loan Term: **240 months**
Note Rate: **6.000%**
Type of Loan: **Conv**
1st Payment: **12/01/2012**
Loan # 12345

SETTLEMENT AGENT MUST COMPLETE APPLICABLE BLANKS INDICATED WITH "*" FOR ALL THIRD PARTY CHARGES PAID BY BORROWER AND SHOWN ON THE SETTLEMENT STATEMENT PRIOR TO BORROWER'S EXECUTION.

Itemization of the Amount Financed of **\$124,072.88** (per Truth in Lending)

\$ _____ * Amount given to you directly

\$ _____ * Amount paid on your account

Amount(s) paid to others on your behalf (excluding Prepaid Finance Charges):

\$225.00	Appraisal fee to Appraisal Group
\$200.00	Homeowner's insurance
\$333.34	Property taxes
(\$266.67)	Aggregate Escrow Adjustment
\$850.00	Lender's title insurance to Your Title Company
\$4.00	Guaranty fee to Your Title Company
\$100.00	Government recording charges - Mortgage to Tarrant County Clerk

Amount of Prepaid Finance Charges paid to other on your behalf:

\$267.12	Daily interest charges
\$125.00	Settlement or closing fee to Your Title Company
\$350.00	Underwriting fee to Some City Bank
\$150.00	Attorney fee for docprep to PeirsonPatterson, LLP
\$35.00	Title courier fee/Express mail fee to Your Title Company

Itemization of Amount Financed

PERIODIC AMORTIZATION SCHEDULE

Loan # 12345

Borrower(s): Jay Borrower, a single person
Mailing Address: 555 Main Avenue, Arlington, TX 76017
Property Address: 555 Main Avenue, Arlington, TX 76017

Date: 10/15/12

Payment Period	Date	Periodic Payment	Accrual Rate	Interest Paid	Principal Paid	Mortgage Ins	Buydown	Total Balance	LTV
Beg								125,000.00	
1	12/1/2012	895.54	6.000	625.00	270.54	0.00	0.00	124,729.46	
2	1/1/2013	895.54	6.000	623.65	271.89	0.00	0.00	124,457.57	
3	2/1/2013	895.54	6.000	622.29	273.25	0.00	0.00	124,184.32	
4	3/1/2013	895.54	6.000	620.92	274.62	0.00	0.00	123,909.70	
5	4/1/2013	895.54	6.000	619.55	275.99	0.00	0.00	123,633.71	
6	5/1/2013	895.54	6.000	618.17	277.37	0.00	0.00	123,356.34	
7	6/1/2013	895.54	6.000	616.78	278.76	0.00	0.00	123,077.58	
8	7/1/2013	895.54	6.000	615.39	280.15	0.00	0.00	122,797.43	
9	8/1/2013	895.54	6.000	613.99	281.55	0.00	0.00	122,515.88	
10	9/1/2013	895.54	6.000	612.58	282.96	0.00	0.00	122,232.92	
11	10/1/2013	895.54	6.000	611.16	284.38	0.00	0.00	121,948.54	
12	11/1/2013	895.54	6.000	609.74	285.80	0.00	0.00	121,662.74	
13	12/1/2013	895.54	6.000	608.31	287.23	0.00	0.00	121,375.51	
14	1/1/2014	895.54	6.000	606.88	288.66	0.00	0.00	121,086.85	
15	2/1/2014	895.54	6.000	605.43	290.11	0.00	0.00	120,796.74	
16	3/1/2014	895.54	6.000	603.98	291.56	0.00	0.00	120,505.18	
17	4/1/2014	895.54	6.000	602.53	293.01	0.00	0.00	120,212.17	
18	5/1/2014	895.54	6.000	601.06	294.48	0.00	0.00	119,917.69	
19	6/1/2014	895.54	6.000	599.59	295.95	0.00	0.00	119,621.74	
20	7/1/2014	895.54	6.000	598.11	297.43	0.00	0.00	119,324.31	
21	8/1/2014	895.54	6.000	596.62	298.92	0.00	0.00	119,025.39	
22	9/1/2014	895.54	6.000	595.13	300.41	0.00	0.00	118,724.98	
23	10/1/2014	895.54	6.000	593.62	301.92	0.00	0.00	118,423.06	
24	11/1/2014	895.54	6.000	592.12	303.42	0.00	0.00	118,119.64	
25	12/1/2014	895.54	6.000	590.60	304.94	0.00	0.00	117,814.70	
26	1/1/2015	895.54	6.000	589.07	306.47	0.00	0.00	117,508.23	
27	2/1/2015	895.54	6.000	587.54	308.00	0.00	0.00	117,200.23	
28	3/1/2015	895.54	6.000	586.00	309.54	0.00	0.00	116,890.69	
29	4/1/2015	895.54	6.000	584.45	311.09	0.00	0.00	116,579.60	
30	5/1/2015	895.54	6.000	582.90	312.64	0.00	0.00	116,266.96	
31	6/1/2015	895.54	6.000	581.33	314.21	0.00	0.00	115,952.75	
32	7/1/2015	895.54	6.000	579.76	315.78	0.00	0.00	115,636.97	
33	8/1/2015	895.54	6.000	578.18	317.36	0.00	0.00	115,319.61	
34	9/1/2015	895.54	6.000	576.60	318.94	0.00	0.00	115,000.67	
35	10/1/2015	895.54	6.000	575.00	320.54	0.00	0.00	114,680.13	
36	11/1/2015	895.54	6.000	573.40	322.14	0.00	0.00	114,357.99	
37	12/1/2015	895.54	6.000	571.79	323.75	0.00	0.00	114,034.24	
38	1/1/2016	895.54	6.000	570.17	325.37	0.00	0.00	113,708.87	
39	2/1/2016	895.54	6.000	568.54	327.00	0.00	0.00	113,381.87	
40	3/1/2016	895.54	6.000	566.91	328.63	0.00	0.00	113,053.24	
41	4/1/2016	895.54	6.000	565.27	330.27	0.00	0.00	112,722.97	
42	5/1/2016	895.54	6.000	563.61	331.93	0.00	0.00	112,391.04	
43	6/1/2016	895.54	6.000	561.96	333.58	0.00	0.00	112,057.46	
44	7/1/2016	895.54	6.000	560.29	335.25	0.00	0.00	111,722.21	
45	8/1/2016	895.54	6.000	558.61	336.93	0.00	0.00	111,385.28	
46	9/1/2016	895.54	6.000	556.93	338.61	0.00	0.00	111,046.67	
47	10/1/2016	895.54	6.000	555.23	340.31	0.00	0.00	110,706.36	
48	11/1/2016	895.54	6.000	553.53	342.01	0.00	0.00	110,364.35	
49	12/1/2016	895.54	6.000	551.82	343.72	0.00	0.00	110,020.63	

Periodic Amortization Schedule

PERIODIC AMORTIZATION SCHEDULE

Loan # 12345

Date: 10/15/12

Borrower(s): Jay Borrower, a single person
Mailing Address: 555 Main Avenue, Arlington, TX 76017
Property Address: 555 Main Avenue, Arlington, TX 76017

Payment Period	Date	Periodic Payment	Accrual Rate	Interest Paid	Principal Paid	Mortgage Ins	Buydown	Total Balance	LTV
50	1/1/2017	895.54	6.000	550.10	345.44	0.00	0.00	109,675.19	
51	2/1/2017	895.54	6.000	548.38	347.16	0.00	0.00	109,328.03	
52	3/1/2017	895.54	6.000	546.64	348.90	0.00	0.00	108,979.13	
53	4/1/2017	895.54	6.000	544.90	350.64	0.00	0.00	108,628.49	
54	5/1/2017	895.54	6.000	543.14	352.40	0.00	0.00	108,276.09	
55	6/1/2017	895.54	6.000	541.38	354.16	0.00	0.00	107,921.93	
56	7/1/2017	895.54	6.000	539.61	355.93	0.00	0.00	107,566.00	
57	8/1/2017	895.54	6.000	537.83	357.71	0.00	0.00	107,208.29	
58	9/1/2017	895.54	6.000	536.04	359.50	0.00	0.00	106,848.79	
59	10/1/2017	895.54	6.000	534.24	361.30	0.00	0.00	106,487.49	
60	11/1/2017	895.54	6.000	532.44	363.10	0.00	0.00	106,124.39	
61	12/1/2017	895.54	6.000	530.62	364.92	0.00	0.00	105,759.47	
62	1/1/2018	895.54	6.000	528.80	366.74	0.00	0.00	105,392.73	
63	2/1/2018	895.54	6.000	526.96	368.58	0.00	0.00	105,024.15	
64	3/1/2018	895.54	6.000	525.12	370.42	0.00	0.00	104,653.73	
65	4/1/2018	895.54	6.000	523.27	372.27	0.00	0.00	104,281.46	
66	5/1/2018	895.54	6.000	521.41	374.13	0.00	0.00	103,907.33	
67	6/1/2018	895.54	6.000	519.54	376.00	0.00	0.00	103,531.33	
68	7/1/2018	895.54	6.000	517.66	377.88	0.00	0.00	103,153.45	
69	8/1/2018	895.54	6.000	515.77	379.77	0.00	0.00	102,773.68	
70	9/1/2018	895.54	6.000	513.87	381.67	0.00	0.00	102,392.01	
71	10/1/2018	895.54	6.000	511.96	383.58	0.00	0.00	102,008.43	
72	11/1/2018	895.54	6.000	510.04	385.50	0.00	0.00	101,622.93	
73	12/1/2018	895.54	6.000	508.11	387.43	0.00	0.00	101,235.50	
74	1/1/2019	895.54	6.000	506.18	389.36	0.00	0.00	100,846.14	
75	2/1/2019	895.54	6.000	504.23	391.31	0.00	0.00	100,454.83	
76	3/1/2019	895.54	6.000	502.27	393.27	0.00	0.00	100,061.56	
77	4/1/2019	895.54	6.000	500.31	395.23	0.00	0.00	99,666.33	
78	5/1/2019	895.54	6.000	498.33	397.21	0.00	0.00	99,269.12	
79	6/1/2019	895.54	6.000	496.35	399.19	0.00	0.00	98,869.93	
80	7/1/2019	895.54	6.000	494.35	401.19	0.00	0.00	98,468.74	
81	8/1/2019	895.54	6.000	492.34	403.20	0.00	0.00	98,065.54	
82	9/1/2019	895.54	6.000	490.33	405.21	0.00	0.00	97,660.33	
83	10/1/2019	895.54	6.000	488.30	407.24	0.00	0.00	97,253.09	
84	11/1/2019	895.54	6.000	486.27	409.27	0.00	0.00	96,843.82	
85	12/1/2019	895.54	6.000	484.22	411.32	0.00	0.00	96,432.50	
86	1/1/2020	895.54	6.000	482.16	413.38	0.00	0.00	96,019.12	
87	2/1/2020	895.54	6.000	480.10	415.44	0.00	0.00	95,603.68	
88	3/1/2020	895.54	6.000	478.02	417.52	0.00	0.00	95,186.16	
89	4/1/2020	895.54	6.000	475.93	419.61	0.00	0.00	94,766.55	
90	5/1/2020	895.54	6.000	473.83	421.71	0.00	0.00	94,344.84	
91	6/1/2020	895.54	6.000	471.72	423.82	0.00	0.00	93,921.02	
92	7/1/2020	895.54	6.000	469.61	425.93	0.00	0.00	93,495.09	
93	8/1/2020	895.54	6.000	467.48	428.06	0.00	0.00	93,067.03	
94	9/1/2020	895.54	6.000	465.34	430.20	0.00	0.00	92,636.83	
95	10/1/2020	895.54	6.000	463.18	432.36	0.00	0.00	92,204.47	
96	11/1/2020	895.54	6.000	461.02	434.52	0.00	0.00	91,769.95	
97	12/1/2020	895.54	6.000	458.85	436.69	0.00	0.00	91,333.26	
98	1/1/2021	895.54	6.000	456.67	438.87	0.00	0.00	90,894.39	
99	2/1/2021	895.54	6.000	454.47	441.07	0.00	0.00	90,453.32	

Periodic Amortization Schedule

PERIODIC AMORTIZATION SCHEDULE

Loan # 12345

Date: 10/15/12

Borrower(s): Jay Borrower, a single person
Mailing Address: 555 Main Avenue, Arlington, TX 76017
Property Address: 555 Main Avenue, Arlington, TX 76017

Payment Period	Date	Periodic Payment	Accrual Rate	Interest Paid	Principal Paid	Mortgage Ins	Buydown	Total Balance	LTV
100	3/1/2021	895.54	6.000	452.27	443.27	0.00	0.00	90,010.05	
101	4/1/2021	895.54	6.000	450.05	445.49	0.00	0.00	89,564.56	
102	5/1/2021	895.54	6.000	447.82	447.72	0.00	0.00	89,116.84	
103	6/1/2021	895.54	6.000	445.58	449.96	0.00	0.00	88,666.88	
104	7/1/2021	895.54	6.000	443.33	452.21	0.00	0.00	88,214.67	
105	8/1/2021	895.54	6.000	441.07	454.47	0.00	0.00	87,760.20	
106	9/1/2021	895.54	6.000	438.80	456.74	0.00	0.00	87,303.46	
107	10/1/2021	895.54	6.000	436.52	459.02	0.00	0.00	86,844.44	
108	11/1/2021	895.54	6.000	434.22	461.32	0.00	0.00	86,383.12	
109	12/1/2021	895.54	6.000	431.92	463.62	0.00	0.00	85,919.50	
110	1/1/2022	895.54	6.000	429.60	465.94	0.00	0.00	85,453.56	
111	2/1/2022	895.54	6.000	427.27	468.27	0.00	0.00	84,985.29	
112	3/1/2022	895.54	6.000	424.93	470.61	0.00	0.00	84,514.68	
113	4/1/2022	895.54	6.000	422.57	472.97	0.00	0.00	84,041.71	
114	5/1/2022	895.54	6.000	420.21	475.33	0.00	0.00	83,566.38	
115	6/1/2022	895.54	6.000	417.83	477.71	0.00	0.00	83,088.67	
116	7/1/2022	895.54	6.000	415.44	480.10	0.00	0.00	82,608.57	
117	8/1/2022	895.54	6.000	413.04	482.50	0.00	0.00	82,126.07	
118	9/1/2022	895.54	6.000	410.63	484.91	0.00	0.00	81,641.16	
119	10/1/2022	895.54	6.000	408.21	487.33	0.00	0.00	81,153.83	
120	11/1/2022	895.54	6.000	405.77	489.77	0.00	0.00	80,664.06	
121	12/1/2022	895.54	6.000	403.32	492.22	0.00	0.00	80,171.84	
122	1/1/2023	895.54	6.000	400.86	494.68	0.00	0.00	79,677.16	
123	2/1/2023	895.54	6.000	398.39	497.15	0.00	0.00	79,180.01	
124	3/1/2023	895.54	6.000	395.90	499.64	0.00	0.00	78,680.37	
125	4/1/2023	895.54	6.000	393.40	502.14	0.00	0.00	78,178.23	
126	5/1/2023	895.54	6.000	390.89	504.65	0.00	0.00	77,673.58	
127	6/1/2023	895.54	6.000	388.37	507.17	0.00	0.00	77,166.41	
128	7/1/2023	895.54	6.000	385.83	509.71	0.00	0.00	76,656.70	
129	8/1/2023	895.54	6.000	383.28	512.26	0.00	0.00	76,144.44	
130	9/1/2023	895.54	6.000	380.72	514.82	0.00	0.00	75,629.62	
131	10/1/2023	895.54	6.000	378.15	517.39	0.00	0.00	75,112.23	
132	11/1/2023	895.54	6.000	375.56	519.98	0.00	0.00	74,592.25	
133	12/1/2023	895.54	6.000	372.96	522.58	0.00	0.00	74,069.67	
134	1/1/2024	895.54	6.000	370.35	525.19	0.00	0.00	73,544.48	
135	2/1/2024	895.54	6.000	367.72	527.82	0.00	0.00	73,016.66	
136	3/1/2024	895.54	6.000	365.08	530.46	0.00	0.00	72,486.20	
137	4/1/2024	895.54	6.000	362.43	533.11	0.00	0.00	71,953.09	
138	5/1/2024	895.54	6.000	359.77	535.77	0.00	0.00	71,417.32	
139	6/1/2024	895.54	6.000	357.09	538.45	0.00	0.00	70,878.87	
140	7/1/2024	895.54	6.000	354.39	541.15	0.00	0.00	70,337.72	
141	8/1/2024	895.54	6.000	351.69	543.85	0.00	0.00	69,793.87	
142	9/1/2024	895.54	6.000	348.97	546.57	0.00	0.00	69,247.30	
143	10/1/2024	895.54	6.000	346.24	549.30	0.00	0.00	68,698.00	
144	11/1/2024	895.54	6.000	343.49	552.05	0.00	0.00	68,145.95	
145	12/1/2024	895.54	6.000	340.73	554.81	0.00	0.00	67,591.14	
146	1/1/2025	895.54	6.000	337.96	557.58	0.00	0.00	67,033.56	
147	2/1/2025	895.54	6.000	335.17	560.37	0.00	0.00	66,473.19	
148	3/1/2025	895.54	6.000	332.37	563.17	0.00	0.00	65,910.02	
149	4/1/2025	895.54	6.000	329.55	565.99	0.00	0.00	65,344.03	

Periodic Amortization Schedule

PERIODIC AMORTIZATION SCHEDULE

Loan # 12345

Date: 10/15/12

Borrower(s): Jay Borrower, a single person
Mailing Address: 555 Main Avenue, Arlington, TX 76017
Property Address: 555 Main Avenue, Arlington, TX 76017

Payment Period	Date	Periodic Payment	Accrual Rate	Interest Paid	Principal Paid	Mortgage Ins	Buydown	Total Balance	LTV
150	5/1/2025	895.54	6.000	326.72	568.82	0.00	0.00	64,775.21	
151	6/1/2025	895.54	6.000	323.88	571.66	0.00	0.00	64,203.55	
152	7/1/2025	895.54	6.000	321.02	574.52	0.00	0.00	63,629.03	
153	8/1/2025	895.54	6.000	318.15	577.39	0.00	0.00	63,051.64	
154	9/1/2025	895.54	6.000	315.26	580.28	0.00	0.00	62,471.36	
155	10/1/2025	895.54	6.000	312.36	583.18	0.00	0.00	61,888.18	
156	11/1/2025	895.54	6.000	309.44	586.10	0.00	0.00	61,302.08	
157	12/1/2025	895.54	6.000	306.51	589.03	0.00	0.00	60,713.05	
158	1/1/2026	895.54	6.000	303.57	591.97	0.00	0.00	60,121.08	
159	2/1/2026	895.54	6.000	300.61	594.93	0.00	0.00	59,526.15	
160	3/1/2026	895.54	6.000	297.63	597.91	0.00	0.00	58,928.24	
161	4/1/2026	895.54	6.000	294.64	600.90	0.00	0.00	58,327.34	
162	5/1/2026	895.54	6.000	291.64	603.90	0.00	0.00	57,723.44	
163	6/1/2026	895.54	6.000	288.62	606.92	0.00	0.00	57,116.52	
164	7/1/2026	895.54	6.000	285.58	609.96	0.00	0.00	56,506.56	
165	8/1/2026	895.54	6.000	282.53	613.01	0.00	0.00	55,893.55	
166	9/1/2026	895.54	6.000	279.47	616.07	0.00	0.00	55,277.48	
167	10/1/2026	895.54	6.000	276.39	619.15	0.00	0.00	54,658.33	
168	11/1/2026	895.54	6.000	273.29	622.25	0.00	0.00	54,036.08	
169	12/1/2026	895.54	6.000	270.18	625.36	0.00	0.00	53,410.72	
170	1/1/2027	895.54	6.000	267.05	628.49	0.00	0.00	52,782.23	
171	2/1/2027	895.54	6.000	263.91	631.63	0.00	0.00	52,150.60	
172	3/1/2027	895.54	6.000	260.75	634.79	0.00	0.00	51,515.81	
173	4/1/2027	895.54	6.000	257.58	637.96	0.00	0.00	50,877.85	
174	5/1/2027	895.54	6.000	254.39	641.15	0.00	0.00	50,236.70	
175	6/1/2027	895.54	6.000	251.18	644.36	0.00	0.00	49,592.34	
176	7/1/2027	895.54	6.000	247.96	647.58	0.00	0.00	48,944.76	
177	8/1/2027	895.54	6.000	244.72	650.82	0.00	0.00	48,293.94	
178	9/1/2027	895.54	6.000	241.47	654.07	0.00	0.00	47,639.87	
179	10/1/2027	895.54	6.000	238.20	657.34	0.00	0.00	46,982.53	
180	11/1/2027	895.54	6.000	234.91	660.63	0.00	0.00	46,321.90	
181	12/1/2027	895.54	6.000	231.61	663.93	0.00	0.00	45,657.97	
182	1/1/2028	895.54	6.000	228.29	667.25	0.00	0.00	44,990.72	
183	2/1/2028	895.54	6.000	224.95	670.59	0.00	0.00	44,320.13	
184	3/1/2028	895.54	6.000	221.60	673.94	0.00	0.00	43,646.19	
185	4/1/2028	895.54	6.000	218.23	677.31	0.00	0.00	42,968.88	
186	5/1/2028	895.54	6.000	214.84	680.70	0.00	0.00	42,288.18	
187	6/1/2028	895.54	6.000	211.44	684.10	0.00	0.00	41,604.08	
188	7/1/2028	895.54	6.000	208.02	687.52	0.00	0.00	40,916.56	
189	8/1/2028	895.54	6.000	204.58	690.96	0.00	0.00	40,225.60	
190	9/1/2028	895.54	6.000	201.13	694.41	0.00	0.00	39,531.19	
191	10/1/2028	895.54	6.000	197.66	697.88	0.00	0.00	38,833.31	
192	11/1/2028	895.54	6.000	194.17	701.37	0.00	0.00	38,131.94	
193	12/1/2028	895.54	6.000	190.66	704.88	0.00	0.00	37,427.06	
194	1/1/2029	895.54	6.000	187.14	708.40	0.00	0.00	36,718.66	
195	2/1/2029	895.54	6.000	183.59	711.95	0.00	0.00	36,006.71	
196	3/1/2029	895.54	6.000	180.03	715.51	0.00	0.00	35,291.20	
197	4/1/2029	895.54	6.000	176.46	719.08	0.00	0.00	34,572.12	
198	5/1/2029	895.54	6.000	172.86	722.68	0.00	0.00	33,849.44	
199	6/1/2029	895.54	6.000	169.25	726.29	0.00	0.00	33,123.15	

Periodic Amortization Schedule

PERIODIC AMORTIZATION SCHEDULE

Loan # 12345

Date: 10/15/12

Borrower(s): Jay Borrower, a single person
Mailing Address: 555 Main Avenue, Arlington, TX 76017
Property Address: 555 Main Avenue, Arlington, TX 76017

Payment Period	Date	Periodic Payment	Accrual Rate	Interest Paid	Principal Paid	Mortgage Ins	Buydown	Total Balance	LTV
200	7/1/2029	895.54	6.000	165.62	729.92	0.00	0.00	32,393.23	
201	8/1/2029	895.54	6.000	161.97	733.57	0.00	0.00	31,659.66	
202	9/1/2029	895.54	6.000	158.30	737.24	0.00	0.00	30,922.42	
203	10/1/2029	895.54	6.000	154.61	740.93	0.00	0.00	30,181.49	
204	11/1/2029	895.54	6.000	150.91	744.63	0.00	0.00	29,436.86	
205	12/1/2029	895.54	6.000	147.18	748.36	0.00	0.00	28,688.50	
206	1/1/2030	895.54	6.000	143.44	752.10	0.00	0.00	27,936.40	
207	2/1/2030	895.54	6.000	139.68	755.86	0.00	0.00	27,180.54	
208	3/1/2030	895.54	6.000	135.90	759.64	0.00	0.00	26,420.90	
209	4/1/2030	895.54	6.000	132.10	763.44	0.00	0.00	25,657.46	
210	5/1/2030	895.54	6.000	128.29	767.25	0.00	0.00	24,890.21	
211	6/1/2030	895.54	6.000	124.45	771.09	0.00	0.00	24,119.12	
212	7/1/2030	895.54	6.000	120.60	774.94	0.00	0.00	23,344.18	
213	8/1/2030	895.54	6.000	116.72	778.82	0.00	0.00	22,565.36	
214	9/1/2030	895.54	6.000	112.83	782.71	0.00	0.00	21,782.65	
215	10/1/2030	895.54	6.000	108.91	786.63	0.00	0.00	20,996.02	
216	11/1/2030	895.54	6.000	104.98	790.56	0.00	0.00	20,205.46	
217	12/1/2030	895.54	6.000	101.03	794.51	0.00	0.00	19,410.95	
218	1/1/2031	895.54	6.000	97.05	798.49	0.00	0.00	18,612.46	
219	2/1/2031	895.54	6.000	93.06	802.48	0.00	0.00	17,809.98	
220	3/1/2031	895.54	6.000	89.05	806.49	0.00	0.00	17,003.49	
221	4/1/2031	895.54	6.000	85.02	810.52	0.00	0.00	16,192.97	
222	5/1/2031	895.54	6.000	80.96	814.58	0.00	0.00	15,378.39	
223	6/1/2031	895.54	6.000	76.89	818.65	0.00	0.00	14,559.74	
224	7/1/2031	895.54	6.000	72.80	822.74	0.00	0.00	13,737.00	
225	8/1/2031	895.54	6.000	68.69	826.85	0.00	0.00	12,910.15	
226	9/1/2031	895.54	6.000	64.55	830.99	0.00	0.00	12,079.16	
227	10/1/2031	895.54	6.000	60.40	835.14	0.00	0.00	11,244.02	
228	11/1/2031	895.54	6.000	56.22	839.32	0.00	0.00	10,404.70	
229	12/1/2031	895.54	6.000	52.02	843.52	0.00	0.00	9,561.18	
230	1/1/2032	895.54	6.000	47.81	847.73	0.00	0.00	8,713.45	
231	2/1/2032	895.54	6.000	43.57	851.97	0.00	0.00	7,861.48	
232	3/1/2032	895.54	6.000	39.31	856.23	0.00	0.00	7,005.25	
233	4/1/2032	895.54	6.000	35.03	860.51	0.00	0.00	6,144.74	
234	5/1/2032	895.54	6.000	30.72	864.82	0.00	0.00	5,279.92	
235	6/1/2032	895.54	6.000	26.40	869.14	0.00	0.00	4,410.78	
236	7/1/2032	895.54	6.000	22.05	873.49	0.00	0.00	3,537.29	
237	8/1/2032	895.54	6.000	17.69	877.85	0.00	0.00	2,659.44	
238	9/1/2032	895.54	6.000	13.30	882.24	0.00	0.00	1,777.20	
239	10/1/2032	895.54	6.000	8.89	886.65	0.00	0.00	890.55	
240	11/1/2032	895.00	6.000	4.45	890.55	0.00	0.00	0.00	

**THIS IS AN EXTENSION OF CREDIT AS DEFINED BY SECTION 50(a)(6),
ARTICLE XVI OF THE TEXAS CONSTITUTION**

**TEXAS HOME EQUITY NOTE
(Fixed Rate - First Lien)**

Loan # 12345

October 15, 2012
[Date]

Dallas,
[City]

Texas
[State]

555 Main Avenue, Arlington, Texas 76017
[Property Address]

1. BORROWER'S PROMISE TO PAY

This is an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution (the "Extension of Credit"). In return for the Extension of Credit that I have received evidenced by this Note, I promise to pay U.S. **\$125,000.00** (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is **Some Texas Bank**. I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

I understand that this is not an open-end account that may be debited from time to time or under which credit may be extended from time to time.

The property described above by the Property Address is subject to the lien of the Security Instrument executed concurrently herewith (the "Security Instrument").

2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of **6.000%**. It is agreed that the total of all interest and other charges that constitute interest under applicable law shall not exceed the maximum amount of interest permitted by applicable law. Nothing in this Note or the Security Instrument shall entitle the Note Holder upon any contingency or event whatsoever, including by reason of acceleration of the maturity or Prepayment of the Extension of Credit, to receive or collect interest or other charges that constitute interest in excess of the highest rate allowed by applicable law on the Principal or on a monetary obligation incurred to protect the property described above authorized by the Security Instrument, and in no event shall I be obligated to pay interest in excess of such rate

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the **First** day of each month beginning **December 1, 2012**. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on **November 1, 2032**, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at **2310 W Interstate 20, 100, Arlington, Texas 76017** or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. **\$895.54**.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes. Should the Note Holder agree in writing to such changes, my payments thereafter will be payable in substantially equal successive monthly installments.

5. LOAN CHARGES

All agreements between Note Holder and me are expressly limited so that any interest, loan charges, or fees (other than interest) collected or to be collected from me, any owner or the spouse of any owner of the property described above in connection with the origination, evaluation, maintenance, recording, insuring or servicing of the Extension of Credit shall not exceed, in the aggregate, the highest amount allowed by applicable law.

If a law, which applies to this Extension of Credit and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this Extension of Credit exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder will make this refund by making a payment to me. **The Note Holder's payment of any such refund will extinguish any right of action I might have arising out of such overcharge.**

It is the express intention of the Note Holder and me to structure this Extension of Credit to conform to the provisions of the Texas Constitution applicable to extensions of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution. If, from any circumstance whatsoever, any promise, payment, obligation or provision of this Note, the Security Instrument or any other loan document involving this Extension of Credit transcends the limit of validity prescribed by applicable law, then such promise, payment, obligation or provision shall be reduced to the limit of such validity, or eliminated as a requirement, if necessary for compliance with such law, and such document may be reformed by written notice from the Note Holder without the necessity of the execution of any new amendment or new document by me.

The provisions of this Section 5 shall supersede any inconsistent provision of this Note or the Security Instrument.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of **15** calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be **5.000%** of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which

has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means. This Note may not be accelerated because of a decrease in the market value of the property described above or because of the property owner's default under any indebtedness not evidenced by this Note or the Security Instrument.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law, including Section 50(a)(6) Article XVI of the Texas Constitution. Those expenses include, for example, reasonable attorneys' fees. I understand that these expenses are not contemplated as fees to be incurred in connection with maintaining or servicing this Extension of Credit.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address. However, if the purpose of the notice is to notify Note Holder of failure to comply with Note Holder's obligations under this Extension of Credit, or noncompliance with any provisions of the Texas Constitution applicable to extensions of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution, then notice by certified mail is required.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

Subject to the limitation of personal liability described below, each person who signs this Note is responsible for ensuring that all of my promises and obligations in this Note are performed, including the payment of the full amount owed. Any person who takes over these obligations is also so responsible.

I understand that Section 50(a)(6)(C), Article XVI of the Texas Constitution provides that this Note is given without personal liability against each owner of the property described above and against the spouse of each owner unless the owner or spouse obtained this Extension of Credit by actual fraud. This means that, absent such actual fraud, the Note Holder can enforce its rights under this Note solely against the property described above and not personally against any owner of such property or the spouse of an owner.

If this Extension of Credit is obtained by such actual fraud, I will be personally liable for the payment of any amounts due under this Note. This means that a personal judgment could be obtained against me if I fail to perform my responsibilities under this Note, including a judgment for any deficiency that results from Note Holder's sale of the property described above for an amount less than is owing under this Note.

If not prohibited by Section 50(a)(6)(C), Article XVI of the Texas Constitution, this Section 8 shall not impair in any way the right of the Note Holder to collect all sums due under this Note or prejudice the right of the Note Holder as to any promises or conditions of this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. SECURED NOTE

In addition to the protections given to the Note Holder under this Note, the Security Instrument, dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

11. APPLICABLE LAW

This Note shall be governed by the law of Texas and any applicable federal law. In the event of any conflict between the Texas Constitution and other applicable law, it is the intent that the provisions of the Texas Constitution shall be applied to resolve the conflict. In the event of a conflict between any provision of this Note and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Note shall be modified to the extent necessary to comply with applicable law. All other provisions in this Note will remain fully effective and enforceable.

12. NO ORAL AGREEMENTS

THIS NOTE CONSTITUTES A "WRITTEN LOAN AGREEMENT" PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THIS DOCUMENT MUST BE EXECUTED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

Signature

Date

Jay Borrower

[Sign Originals Only]

After recording please mail to:

**Some Texas Bank
Ambra Costner
2310 W Interstate 20, 100
Arlington, TX 76017**

[Space Above This Line for Recording Data.]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

THIS SECURITY INSTRUMENT SECURES AN EXTENSION OF CREDIT AS DEFINED BY SECTION 50(a)(6), ARTICLE XVI OF THE TEXAS CONSTITUTION.

TEXAS HOME EQUITY SECURITY INSTRUMENT (First Lien)

This Security Instrument is not intended to finance Borrower's acquisition of the Property.

Loan # 12345

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 10, 12, 17, 19, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 15.

(A) **"Security Instrument"** means this document, which is dated **October 15, 2012**, together with all Riders to this document.

(B) **"Borrower"** is **Jay Borrower, a single person**. Borrower is the grantor under this Security Instrument.

(C) **"Lender"** is **Some Texas Bank**. Lender is a **limited liability partnership** organized and existing under the laws of **Texas**. Lender's address is **2310 W Interstate 20, 100, Arlington, TX 76017**. Lender includes any holder of the Note who is entitled to receive payments under the Note. Lender is the beneficiary under this Security Instrument.

(D) **"Trustee"** is **Michael H. Patterson**. Trustee's address is **2310 Interstate 20 W, Suite 100, Arlington, TX 76017**.

(E) **"Note"** means the promissory note signed by Borrower and dated **October 15, 2012**. The Note states that Borrower owes Lender **One Hundred Twenty Five Thousand and 00/100 Dollars (U.S. \$125,000.00)** plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **November 1, 2032**.

(F) **"Property"** means the property that is described below under the heading "Transfer of Rights in the

Property.”

(G) “Extension of Credit” means the debt evidenced by the Note, as defined by Section 50(a)(6), Article XVI of the Texas Constitution and all the documents executed in connection with the debt.

(H) “Riders” means all riders to this Security Instrument that are executed by Borrower. The following riders are to be executed by Borrower [check box as applicable]:

- | | |
|---|--|
| <input type="checkbox"/> Texas Home Equity Adjustable Rate Rider | <input type="checkbox"/> Texas Home Equity Condominium Rider |
| <input type="checkbox"/> Texas Home Equity Planned Unit Development Rider | <input type="checkbox"/> Manufactured Home Rider |
| <input type="checkbox"/> Other: | |

(I) “Applicable Law” means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(J) “Community Association Dues, Fees, and Assessments” means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(K) “Electronic Funds Transfer” means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(L) “Escrow Items” means those items that are described in Section 3.

(M) “Miscellaneous Proceeds” means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(N) “Periodic Payment” means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) “RESPA” means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, “RESPA” refers to all requirements and restrictions that are imposed in regard to a “federally related mortgage loan” even if the Extension of Credit does not qualify as a “federally related mortgage loan” under RESPA.

(P) “Successor in Interest of Borrower” means any party that has taken title to the Property, whether or not that party has assumed Borrower’s obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Extension of Credit, and all extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described Property located in the **County** [Type of Recording Jurisdiction] of **Tarrant** [Name of Recording Jurisdiction]:

Lot 1, Block 1, Section 1, Some Addition to the city of Arlington, Tarrant County, Texas as shown by Plat recorded in Plat Cabinet No. 1, Slide No. 111, Plat Records, Tarrant County, Texas.

which currently has the address of

**555 Main Avenue
Arlington, Texas 76017**
("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property"; provided however, that the Property is limited to homestead property in accordance with Section 50(a)(6)(H), Article XVI of the Texas Constitution.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 14. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Extension of Credit current. Lender may accept any payment or partial payment insufficient to bring the Extension of Credit current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Extension of Credit current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all

payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; and (c) premiums for any and all insurance required by Lender under Section 5. These items are called "Escrow Items." At origination or at any time during the term of the Extension of Credit, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 14 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under

RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than twelve monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than twelve monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Extension of Credit.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Extension of Credit. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Extension of Credit, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower

obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 21 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower now occupies and uses the Property as Borrower's Texas homestead and shall continue to occupy the Property as Borrower's Texas homestead for at least one year after the date of this Security Instrument, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower's actions shall constitute actual fraud under Section 50(a)(6)(c), Article XVI of the Texas Constitution and Borrower shall be in default and may be held personally liable for the debt evidenced by the Note and this Security Instrument if, during the Loan application process,

Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan or any other action or inaction that is determined to be actual fraud. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as a Texas homestead, the representations and warranties contained in the Texas Home Equity Affidavit and Agreement, and the execution of an acknowledgment of fair market value of the property as described in Section 27.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.

If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9. No powers are granted by Borrower to Lender or Trustee that would violate provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution or other Applicable Law.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the

amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding which is not commenced as a result of Borrower's default under other indebtedness not secured by a prior valid encumbrance against the homestead, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

12. Joint and Several Liability; Security Instrument Execution; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any person who signs this Security Instrument, but does not execute the Note: (a) is signing this Security Instrument only to mortgage, grant and convey the person's interest in the Property under the terms of this Security Instrument and to comply with the requirements of Section 50(a)(6)(A), Article XVI of the Texas Constitution; (b) is not obligated to pay the sums secured by this Security Instrument and is not to be considered a guarantor or surety; (c) agrees that this Security Instrument establishes a voluntary lien on the homestead and constitutes the written agreement evidencing the consent of each owner and each owner's spouse; and (d) agrees that Lender and Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of the Note.

Subject to the provisions of Section 17, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and

liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 19) and benefit the successors and assigns of Lender.

13. Extension of Credit Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Extension of Credit is subject to a law which sets maximum Extension of Credit charges, and that law is finally interpreted so that the interest or other Extension of Credit charges collected or to be collected in connection with the Extension of Credit exceed the permitted limits, then: (a) any such Extension of Credit charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender will make this refund by making a payment to Borrower. **The Lender's payment of any such refund will extinguish any right of action Borrower might have arising out of such overcharge.**

14. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail (but, by certified mail if the notice is given pursuant to Section 19) to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

15. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the laws of Texas. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

16. Borrower's Copies. Borrower shall be given at the time this Extension of Credit is made, a copy of all documents signed by Borrower related to the Extension of Credit.

17. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 17, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this

option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses, insofar as allowed by Section 50(a)(6), Article XVI of the Texas Constitution, incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 17.

19. Sale of Note; Change of Loan Servicer; Notice of Grievance; Lender's Right-to-Comply. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Extension of Credit is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 14) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. For example, Section 50(a)(6)(Q)(x), Article XVI of the Texas Constitution, generally provides that a lender has 60 days to comply with its obligations under the extension of credit after being notified by a borrower of a failure to comply with any such obligation. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 21 and the notice of acceleration given to Borrower pursuant to Section 17 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 19.

It is Lender's and Borrower's intention to conform strictly to provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution.

All agreements between Lender and Borrower are hereby expressly limited so that in no event shall any agreement between Lender and Borrower, or between either of them and any third party, be construed not to allow Lender 60 days after receipt of notice to comply, as provided in this Section 19, with Lender's obligations under the Extension of Credit to the full extent permitted by Section 50(a)(6), Article XVI of the Texas Constitution. Borrower understands that the Extension of Credit is being made on the condition that Lender shall have 60 days after receipt of notice to comply with the provisions of Section 50(a)(6), Article XVI of the Texas Constitution. As a precondition to taking any action premised on failure of Lender to comply, Borrower will advise Lender of the noncompliance by a notice given as required by Section 14, and will give Lender 60 days after such notice has been received by Lender to comply. Except as otherwise required by Applicable Law, only after Lender has received said notice, has had 60 days to comply, and Lender has failed to comply, shall all principal and interest be forfeited by Lender, as required by Section 50(a)(6)(Q)(x), Article XVI of the Texas Constitution in connection with failure by Lender to comply with its obligations under this Extension of Credit. Borrower will cooperate in reasonable efforts to correct any failure by Lender to comply with Section 50(a)(6), Article XVI of the Texas Constitution.

In the event that, for any reason whatsoever, any obligation of Borrower or of Lender pursuant to the terms or requirements hereof or of any other loan document shall be construed to violate any of the provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution, then any such obligation shall be subject to the provisions of this Section 19, and the document may be reformed, by written notice from Lender, without the necessity of the execution of any amendment or new document by Borrower, so that Borrower's or Lender's obligation shall be modified to conform to the Texas Constitution, and in no event shall Borrower or Lender be obligated to perform any act, or be bound by any requirement which would conflict therewith.

All agreements between Lender and Borrower are expressly limited so that any interest, Extension of Credit charge or fee collected or to be collected (other than by payment of interest) from Borrower, any owner or the spouse of any owner of the Property in connection with the origination, evaluation, maintenance, recording, insuring or servicing of the Extension of Credit shall not exceed, in the aggregate, the highest amount allowed by Applicable Law.

It is the express intention of Lender and Borrower to structure this Extension of Credit to conform to the provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution. If, from any circumstance whatsoever, any promise, payment, obligation or provision of the Note, this Security Instrument or any other loan document involving this Extension of Credit transcends the limit of validity prescribed by Applicable Law, then any promise, payment, obligation or provision shall be reduced to the limit of such validity, or eliminated as a requirement if necessary for compliance with such law, and such document may be reformed, by written notice from Lender, without the necessity of the execution of any new amendment or new document by Borrower.

Lender's right-to-comply as provided in this Section 19 shall survive the payoff of the Extension of Credit. The provision of this Section 19 will supersede any inconsistent provision of the Note or this Security Instrument.

20. Hazardous Substances. As used in this Section 20: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b)

which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 17 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice will result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Insofar as allowed by Section 50(a)(6), Article XVI of the Texas Constitution, Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 21, including, but not limited to, court costs, reasonable attorneys' fees and costs of title evidence.

The lien evidenced by this Security Instrument may be foreclosed upon only by a court order. Lender may, at its option, follow any rules of civil procedure promulgated by the Texas Supreme Court for expedited foreclosure proceedings related to the foreclosure of liens under Section 50(a)(6), Article XVI of the Texas Constitution ("Rules"), as amended from time to time, which are hereby incorporated by reference. The power of sale granted herein shall be exercised pursuant to such Rules, and Borrower understands that such power of sale is not a confession of judgment or a power of attorney to confess judgment or to appear for Borrower in a judicial proceeding.

22. Power of Sale. It is the express intention of Lender and Borrower that Lender shall have a fully enforceable lien on the Property. It is also the express intention of Lender and Borrower that Lender's default remedies shall include the most expeditious means of foreclosure available by law. Accordingly, Lender and Trustee shall have all the powers provided herein except insofar as may be limited by the Texas Supreme Court. To the extent the Rules do not specify a procedure for the exercise of a power of sale, the following provisions of this Section 22 shall apply, if Lender invokes the power of sale. Lender or Trustee shall give notice of the time, place and terms of sale by posting and filing the notice at least 21 days prior to sale as provided by Applicable Law. Lender shall mail a copy of the notice of sale to Borrower in the manner prescribed by Applicable Law. Sale shall be made at public venue. The sale must begin at the time stated in the notice of sale or not later than three hours after that time and between the hours of 10 a.m. and 4 p.m. on the first Tuesday of the month. Borrower authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale. In the event of any conflict between such procedure and the Rules, the Rules shall prevail, and this provision shall automatically be reformed to the extent necessary to comply.

Trustee shall deliver to the purchaser who acquires title to the Property pursuant to the foreclosure of the lien a Trustee's deed conveying indefeasible title to the Property with covenants of general warranty from Borrower. Borrower covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, court costs and reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Property is sold pursuant to this Section 22, Borrower or any person holding possession of the Property through Borrower shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession or other court proceeding.

23. Release. Within a reasonable time after termination and full payment of the Extension of Credit, Lender shall cancel and return the Note to the owner of the Property and give the owner, in recordable form, a release of the lien securing the Extension of Credit or a copy of an endorsement of the Note and assignment of the lien to a lender that is refinancing the Extension of Credit. Owner shall pay only recordation costs. **OWNER'S ACCEPTANCE OF SUCH RELEASE, OR ENDORSEMENT AND ASSIGNMENT, SHALL EXTINGUISH ALL OF LENDER'S OBLIGATIONS UNDER SECTION 50(a)(6), ARTICLE XVI OF THE TEXAS CONSTITUTION.**

24. Non-Recourse Liability. Lender shall be subrogated to any and all rights, superior title, liens and equities owned or claimed by any owner or holder of any liens and debts outstanding immediately prior to execution hereof, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

Subject to the limitation of personal liability described below, each person who signs this Security Instrument is responsible for ensuring that all of Borrower's promises and obligations in the Note and this Security Instrument are performed.

Borrower understands that Section 50(a)(6)(C), Article XVI of the Texas Constitution provides that the Note is given without personal liability against each owner of the Property and against the spouse of each owner unless the owner or spouse obtained this Extension of Credit by actual fraud. This means that, absent such actual fraud, Lender can enforce its rights under this Security Instrument solely against the Property and not personally against the owner of the Property or the spouse of an owner.

If this Extension of Credit is obtained by such actual fraud, then, subject to Section 12, Borrower will be personally liable for the payment of any amounts due under the Note or this Security Instrument. This means that a personal judgment could be obtained against Borrower, if Borrower fails to perform Borrower's responsibilities under the Note or this Security Instrument, including a judgment for any deficiency that results from Lender's sale of the Property for an amount less than is owing under the Note, thereby subjecting Borrower's other assets to satisfaction of the debt.

If not prohibited by Section 50(a)(6)(C), Article XVI of the Texas Constitution, this Section 24 shall not impair in any way the lien of this Security Instrument or the right of Lender to collect all sums due under the Note and this Security Instrument or prejudice the right of Lender as to any covenants or conditions of the Note and this Security Instrument.

25. Proceeds. Borrower has not been required to apply the proceeds of the Extension of Credit to repay another debt except a debt secured by the Property or debt to another lender.

26. No Assignment of Wages. Borrower has not assigned wages as security for the Extension of Credit.

27. Acknowledgment of Fair Market Value. Lender and Borrower have executed a written acknowledgment as to the fair market value of Borrower's Property on the date the Extension of Credit is made.

28. Substitute Trustee; Trustee Liability. All rights, remedies and duties of Trustee under this Security Instrument may be exercised or performed by one or more trustees acting alone or together. Lender, at its option and with or without cause, may from time to time, by power of attorney or otherwise, remove or substitute

any trustee, add one or more trustees, or appoint a successor trustee to any Trustee without the necessity of any formality other than a designation by Lender in writing. Without any further act or conveyance of the Property the substitute, additional or successor trustee shall become vested with the title, rights, remedies, powers and duties conferred upon Trustee herein and by Applicable Law.

Trustee shall not be liable if acting upon any notice, request, consent, demand, statement or other document believed by Trustee to be correct. Trustee shall not be liable for any act or omission unless such act or omission is willful.

29. Acknowledgment of Waiver by Lender of Additional Collateral. Borrower acknowledges that Lender waives all terms in any of Lender’s loan documentation (whether existing now or created in the future) which (a) create cross default; (b) provide for additional collateral; and/or (c) create personal liability for any Borrower (except in the event of actual fraud), for the Extension of Credit. This waiver includes, but is not limited to, any (a) guaranty; (b) cross collateralization; (c) future indebtedness; (d) cross default; and/or (e) dragnet provisions in any loan documentation with Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THIS DOCUMENT MUST BE EXECUTED AT THE OFFICE OF LENDER, AN ATTORNEY AT LAW OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

YOU MAY, WITHIN 3 DAYS AFTER CLOSING, RESCIND THIS EXTENSION OF CREDIT WITHOUT PENALTY OR CHARGE.

Signature Date
Jay Borrower

[Sign Originals Only]

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by **Jay Borrower.**

Notary Public
Printed Name: _____
My commission expires: _____

After Recording Please Return To:
Some Texas Bank
Ambra Costner
2310 W Interstate 20, 100
Arlington, TX 76017

----- [To Be Recorded With Security Instrument. Space Above This Line for Recording Data] -----

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**TEXAS HOME EQUITY
AFFIDAVIT AND AGREEMENT
(First Lien)**

(Do not sign this Texas Home Equity Affidavit and Agreement until you have executed an Acknowledgment Regarding Fair Market Value, and received and reviewed the Texas Home Equity Note and the Texas Home Equity Security Instrument.)

Loan # 12345

State of TEXAS

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **Jay Borrower, a single person** and on oath such individual, or each of them, swears that the following statements are true:

I. REPRESENTATIONS AND WARRANTIES:

A. I am a borrower named in the Texas Home Equity Note (the "Note") or the owner or spouse of an owner of the property described in the Texas Home Equity Security Instrument (the "Security Instrument" which term includes any riders to the Texas Home Equity Security Instrument), both bearing date of **October 15, 2012**, evidencing and securing an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution (the "Extension of Credit") and providing for a lien on the following described property (the "Property") located in **Tarrant** County, Texas:

Lot 1, Block 1, Section 1, Some Addition to the city of Arlington, Tarrant County, Texas as shown by Plat recorded in Plat Cabinet No. 1, Slide No. 111, Plat Records, Tarrant County, Texas.

which has the address of:

**555 Main Avenue
Arlington, Texas 76017
(Property Address)**

The Property includes all incidental rights in and to the Property including all improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions are included as well as any interest in a planned unit development, condominium project, homeowners' association or equivalent entity owning or managing common areas or

facilities associated with the Property. All of the foregoing is referred to herein as the Property, provided however that the Property is limited to homestead property in accordance with Section 50(a)(6)(H), Article XVI of the Texas Constitution.

The Property does not include any additional real or personal property not included within the definition of homestead in accordance with applicable law including but not limited to Sections 41.002(a), (b), and (c) of the Texas Property Code which provide:

§ 41.002 Definition of Homestead

(a) If used for the purposes of an urban home or as both an urban home and a place to exercise a calling or business, the homestead of a family or a single, adult person, not otherwise entitled to a homestead, shall consist of not more than 10 acres of land which may be in one or more contiguous lots, together with any improvements thereon.

(b) If used for the purposes of a rural home, the homestead shall consist of:

(1) for a family, not more than 200 acres, which may be in one or more parcels, with the improvements thereon; or

(2) for a single, adult person, not otherwise entitled to a homestead, not more than 100 acres, which may be in one or more parcels, with the improvements thereon.

(c) A homestead is considered to be urban if, at the time the designation is made, the property is:

(1) located within the limits of a municipality or its extraterritorial jurisdiction or a platted subdivision; and

(2) served by police protection, paid or volunteer fire protection, and at least three of the following services provided by a municipality or under contract to a municipality: (A) electric; (B) natural gas; (C) sewer; (D) storm sewer; and (E) water.

B. I understand that the lender making the Extension of Credit is **Some Texas Bank** (the “Lender”).

C. The undersigned includes all owners and spouses of owners of the Property and all borrowers named in the Note.

D. The Extension of Credit is secured by a voluntary lien on the Property created under a written agreement with the consent of all owners and all spouses of owners, and execution of this Texas Home Equity Affidavit and Agreement is deemed evidence of such consent.

E. The Extension of Credit is of a principal amount that, when added to the aggregate total of the outstanding principal balances of all other indebtedness secured by valid encumbrances of record against the Property, does not exceed eighty percent (80%) of the fair market value of the Property on the date the Extension of Credit is made.

F. I have not paid any fee or charge that is not disclosed in the HUD-1 or HUD-1A Settlement Statement.

G. Neither the Lender nor any other party has required any additional collateral (real or personal property), other than the Property described in the Security Instrument, to secure the Extension of Credit.

H. The Property is not designated for agricultural use as of the date of closing as provided by statutes governing property tax, unless such Property is used primarily for the production of milk.

I. The Extension of Credit is the only loan made pursuant to Section 50(a)(6), Article XVI of the Texas Constitution that will be secured by the Property at the time the Extension of Credit is funded.

J. The Note and Security Instrument have not been signed before the twelfth (12th) day after the later of the date the owner of the Property submitted a loan application to the Lender, or the Lender’s representative for the Extension of Credit, or the date that the Lender, or the Lender’s representative provided the owner with a copy of the Notice Concerning Extensions of Credit defined by Section 50(a)(6), Article XVI of the Texas Constitution (the “Notice”).

K. The Note and Security Instrument have not been signed before one business day after the date that the owner of the Property received a copy of the loan application if not previously provided and a final itemized disclosure of the actual fees, points, interest, costs, and charges that would be charged at closing or a bona fide emergency or other good cause exists and the owner of the Property hereby consents to the Lender providing or modifying such final itemized disclosure on the date of the signing of the Note and Security Instrument and execution of this Texas Home Equity Affidavit and Agreement is deemed evidence of such consent.

L. If I am an owner of the Property, I received the Notice in English. If the discussions with the borrowers named in the Note were conducted primarily in a language other than English, the borrowers named in the Note received from Lender, or Lender's representative, before closing, an additional copy of the Notice translated into the written language in which the discussions were conducted.

M. The Extension of Credit is being closed, that is I am signing the loan documents, at the office of the Lender, an attorney at law, or a title company.

N. It has been at least one year since the closing date of any other extension of credit made pursuant to Section 50(a)(6), Article XVI of the Texas Constitution secured by the Property, unless (i) this Extension of Credit is a refinance of a prior extension of credit pursuant to Section 50(a)(6), Article XVI of the Texas Constitution, and is being made to cure the failure of any lender or holder of the prior extension of credit to comply with its obligations under the prior extension of credit (referred to here as a cure refinance); or (ii) the prior extension of credit was a cure refinance, in which case it has been at least one year since the closing date of the most recent extension of credit prior to a cure refinance; or (iii) I, on my oath, requested an earlier closing due to a declared state of emergency.

O. No owner of the Property has been required to apply the proceeds of this Extension of Credit to repay another debt, unless such other debt, if any, is a debt secured by the Property or is a debt to another lender.

P. No owner of the Property has been required to assign wages as security for the Extension of Credit.

Q. No owner of the Property has signed an instrument in which applicable blanks relating to substantive terms of agreement were left to be filled in. There are no blanks relating to substantive terms of agreement in this Texas Home Equity Affidavit and Agreement, the Note, or the Security Instrument.

R. No owner of the Property has signed a confession of judgment or given a power of attorney to the Lender or to a third person to confess judgment or to appear for any owner of the Property in a judicial proceeding.

S. To the best of my knowledge and belief, all owners of the Property, after receiving a copy of the final loan application and all documents signed by them at closing, will sign a receipt acknowledging the delivery of such copies.

T. I have been notified in the Security Instrument of the right of the owner and the spouse of any owner to rescind the Extension of Credit without penalty or charge within three (3) days after the closing.

U. The Lender and each owner of the Property have signed a written acknowledgment as to the fair market value of the Property on the date the Extension of Credit is made.

V. The Property is not being purchased with any part of the proceeds of the Extension of Credit.

W. Unless Lender otherwise agrees in writing, all borrowers named in the Note shall occupy the Property as their homestead pursuant to the terms of the Security Instrument.

X. I understand that the Extension of Credit is not a form of open-end account that may be debited from time to time or under which credit may be extended from time to time. Lender, at its option, may make monetary advances to protect the Property (i.e. pay real estate taxes, hazard insurance payments, etc.) in accordance with the Security Instrument.

Y. I understand that the Note, Security Instrument, and this Texas Home Equity Affidavit and Agreement define the terms of the Extension of Credit and are to be construed as an entirety.

II. AGREEMENT PROVISIONS:

A. No Personal Liability in the Absence of Actual Fraud. I understand that pursuant to Section 50(a)(6)(C), Article XVI of the Texas Constitution the Extension of Credit is without recourse for personal liability

against each owner of the Property and the spouse of each owner and that Lender and its successors and assigns can enforce the promises and obligations in the Note and the Security Instrument solely against the Property, unless an owner or spouse of an owner obtains the Extension of Credit by actual fraud.

B. Inducement and Reliance. I understand that my execution of this Texas Home Equity Affidavit and Agreement is made to induce Lender and its successors and assigns to make or purchase the Extension of Credit, and that Lender and its assigns will rely on it as additional consideration for making or purchasing the Extension of Credit. I also understand that each of the statements made in the Representations and Warranties Section is material and will be acted upon by the Lender and its assigns, and that if such statement is false or made without knowledge of the truth, the Lender and its assigns will suffer injury.

C. Remedies in the Event of Actual Fraud. If any owner of the Property, or the spouse of an owner, obtains the Extension of Credit by actual fraud, then each owner, spouse of each owner and all borrowers named in the Note agree to indemnify and save Lender and its successors and assigns harmless against any loss, costs, damages, attorneys' fees, expenses and liabilities which Lender may incur or sustain in connection with such actual fraud and any court action arising therefrom and will pay the same upon demand. In addition, the borrowers named in the Note may become personally liable for repayment of the Extension of Credit.

D. Opportunity for Lender to Comply. It is agreed that, except as required by law, the Lender or any holder of the Note for the Extension of Credit shall not forfeit any principal or interest on the Extension of Credit by reason of failure by Lender or holder to comply with its obligations under the Extension of Credit, unless the Lender or holder of the Note fails to correct the failure to comply not later than the 60th day after the borrower notifies the Lender or holder of the Note of its failure to comply.

E. Tax Advice. It is agreed that it is the borrower's responsibility to determine any and all aspects of tax considerations related to the Extension of Credit. I have not relied on any tax advice provided by Lender or Lender's representatives. It is my responsibility to seek and obtain independent tax advice.

III. STATEMENT UNDER OATH

I hereby swear under oath that the representations and warranties referred to and set forth in Section I above are true and correct. I understand that this Texas Home Equity Affidavit and Agreement is part of the Extension of Credit documentation.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THIS TEXAS HOME EQUITY AFFIDAVIT AND AGREEMENT MUST BE EXECUTED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW, OR A TITLE COMPANY BY ALL OWNERS OF THE PROPERTY, SPOUSES OF OWNERS, AND BORROWERS NAMED IN THE NOTE. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

Signature

Date

Jay Borrower

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jay Borrower.**

Notary Public

Printed Name of Notary:_____

My Commission Expires:_____

ADVISORY NOTICE

ALL STATEMENTS IN THE FOREGOING TEXAS HOME EQUITY AFFIDAVIT AND AGREEMENT ARE MADE UNDER OATH. IF ANY SUCH STATEMENT IS MADE WITH KNOWLEDGE THAT SUCH STATEMENT IS FALSE, THE PERSON MAKING SUCH FALSE STATEMENT MAY BE SUBJECT TO CIVIL AND CRIMINAL PENALTIES UNDER APPLICABLE LAW, MAY BE PERSONALLY LIABLE ON THE NOTE AND MAY CAUSE ALL OTHER BORROWERS NAMED IN THE NOTE TO BE PERSONALLY LIABLE ON THE NOTE.

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

**DESIGNATION OF HOMESTEAD AFFIDAVIT
(FOR USE IN ISSUING COVERAGE UNDER
PARAGRAPHS 1(i), (j) & (k), ENDORSEMENT 42.1)**

Loan # 12345

BEFORE ME, the undersigned authority, on this day personally appeared **Jay Borrower, a single person** (whether one or more hereinafter referred to as "Affiant"), known to me to be a creditable person(s) and of lawful age, who after having been by me first duly sworn, deposed and upon oath stated:

1. That Affiant now resides upon, uses and claims, and designates as Affiant's sole and only legal homestead, whether residential or business, the following real property:

Lot 1, Block 1, Section 1, Some Addition to the city of Arlington, Tarrant County, Texas as shown by Plat recorded in Plat Cabinet No. 1, Slide No. 111, Plat Records, Tarrant County, Texas.

- a. That certain tract hereinafter referred to as "The Property" more commonly known as **555 Main Avenue, Arlington, TX 76017** and more particularly described above.
- b. Any other land claimed as homestead by Affiant which is described below.
- _____ (1) None (insert 'N/A' in blank if not checked).
- _____ (2) That certain tract more particularly described on Exhibit B. (inset 'N/A' in blank if not checked).

2. That all of The Property is the homestead of Affiant.
3. That no portion of The Property is non-homestead.
4. That The Property; and the real estate, if any, described in Paragraph 1b., above, are the only land claimed as homestead by Affiant and located in the **Tarrant** County, **Texas**, for tax or any other purposes.
5. That any business operated by the Affiant, if any, and situated upon land owned or leased by the Affiant is not currently subject to an extension of credit pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution, (hereinafter a "Home Equity Lien/Home Equity Line of Credit"), nor has a Home Equity/Home Equity Line of Credit Lien describing any real estate in this county and claimed by me as homestead, whether business, or residential and whether previously paid off or released, or not, been closed within one year prior to the date of this Affidavit.
6. That the residence, owned or leased by the Affiant, if any, at which the Affiant lives is not currently subject to a Home Equity/Home Equity Line of Credit Lien, nor has a Home Equity/Home Equity Line of Credit Lien, describing any real estate in this county and claimed by me as homestead, whether business or residential, and whether paid off or released or note, been closed within one year prior to the date of this Affidavit

Affiant understands that **Your Title Company**, by and through its issuing agent is to issue its Mortgagee Policy of title insurance insuring the validity of a lien on The Property executed by me to **Some Texas Bank** as lender. Affiant understands that **Your Title Company** and its issuing agent are relying upon, and accept as true, the representations made in this affidavit. Affiant further hereby indemnifies and holds harmless **Your Title Company** and its issuing agent from and for all liability, costs and attorney fees, it may incur as a result of its: (i) release upon this affidavit; or (ii) issuance of a policy or policies of title insurance, either now or in the future, describing The Property or any part thereof, and providing coverage based upon any matter set forth herein.

Executed this _____ day of _____, _____.

Signature Date
Jay Borrower

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jay Borrower.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Notice of Right to Cancel

Loan # 12345

Your Right To Cancel: You are entering into a transaction that will result in a security interest in your home. You have a legal right under federal law to cancel this transaction, without cost or obligation, within three (3) business days from whichever of the following events occurs last:

1. the date of the transaction, which is **October 15, 2012**; or
2. the date you received your Truth-in-Lending disclosures, or
3. the date you received this notice of your right to cancel.

If you cancel the transaction, the security interest is also cancelled. Within twenty (20) calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the security interest in your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within twenty (20) calendar days of your offer, you may keep it without further obligation.

How To Cancel: If you decide to cancel this transaction, you may do so by notifying us in writing at:
Some Texas Bank
2310 W Interstate 20, 100, Arlington, TX 76017

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one (1) copy of this notice because it contains important information about your rights. If you cancel by mail or telegram, you must send the notice no later than midnight of **October 18, 2012** (or midnight of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I Wish To Cancel: (Only one Consumer's Signature is required to effect a cancellation)

(Borrower) Date: _____

Receipt of Notice: The undersigned hereby represents and warrants that I/we am the only person(s) with an ownership interest in the property who occupy it as a principal dwelling. We hereby acknowledge that the transaction identified on the face of this Notice was consummated and that we have each received one copy of the Federal Truth-in-Lending Disclosure and two copies of this Notice on the date noted beside my signature below.

Signature Date
Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Election Not to Cancel

Loan # 12345

I/We Do Not Wish to Cancel: (Do not sign the following until after time for cancellation has expired). The undersigned hereby certifies that more than three (3) business days have elapsed since the latest of the events listed below.

1. the date of the transaction, which is **October 15, 2012**; or
2. the date you received your Truth-in-Lending disclosures, or
3. the date you received your Notice of Right to Cancel.

The undersigned has not exercised his/her right to cancel.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Notice of Right to Cancel

Loan # 12345

Your Right To Cancel: You are entering into a transaction that will result in a security interest in your home. You have a legal right under federal law to cancel this transaction, without cost or obligation, within three (3) business days from whichever of the following events occurs last:

1. the date of the transaction, which is **October 15, 2012**; or
2. the date you received your Truth-in-Lending disclosures, or
3. the date you received this notice of your right to cancel.

If you cancel the transaction, the security interest is also cancelled. Within twenty (20) calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the security interest in your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within twenty (20) calendar days of your offer, you may keep it without further obligation.

How To Cancel: If you decide to cancel this transaction, you may do so by notifying us in writing at:
Some Texas Bank
2310 W Interstate 20, 100, Arlington, TX 76017

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one (1) copy of this notice because it contains important information about your rights. If you cancel by mail or telegram, you must send the notice no later than midnight of **October 18, 2012** (or midnight of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I Wish To Cancel: (Only one Consumer's Signature is required to effect a cancellation)

(Borrower) Date: _____

Receipt of Notice: The undersigned hereby represents and warrants that I/we am the only person(s) with an ownership interest in the property who occupy it as a principal dwelling. We hereby acknowledge that the transaction identified on the face of this Notice was consummated and that we have each received one copy of the Federal Truth-in-Lending Disclosure and two copies of this Notice on the date noted beside my signature below.

Signature Date
Jay Borrower

[Sign Originals Only]

Notice of Right to Cancel (H-8) - Borrower 1

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Election Not to Cancel

Loan # 12345

I/We Do Not Wish to Cancel: (Do not sign the following until after time for cancellation has expired). The undersigned hereby certifies that more than three (3) business days have elapsed since the latest of the events listed below.

1. the date of the transaction, which is **October 15, 2012**; or
2. the date you received your Truth-in-Lending disclosures, or
3. the date you received your Notice of Right to Cancel.

The undersigned has not exercised his/her right to cancel.

Signature

Date

Jay Borrower

[Sign Originals Only]

Notice of Right to Cancel (H-8) - Borrower 1

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Texas Home Equity Notice of Right to Rescind

Loan # 12345

- (1) **Your Right To Rescind:** You are entering into a transaction which will result in a security interest in your Property. The owner of the Property and any spouse of the owner may under Texas law rescind this transaction, without penalty or charge, within three (3) days after the loan is made.
- (2) **How To Rescind:** If you decide to rescind this transaction, you may do so by notifying us in writing at:

**Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017**

You may use this notice to rescind by dating and signing below. Keep one (1) copy of this notice because it contains important information about your rights. If you rescind by mail or telegram, you must send the notice no later than midnight of the third day following the date the loan is made. If you send or deliver your written notice to rescind some other way, it must be delivered to the above address no later than that time.

I Wish To Rescind: (Only one Property Owner's signature is required to effect a rescission.)

Signature Date
Jay Borrower

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

- (3) **Receipt of Notice:** The undersigned hereby represents and warrants that I/we am the only person(s) with an ownership interest in the Property. We hereby acknowledge that the transaction on the fact of this Notice was consummated and that we have each received one copy of this Notice on the **Fifteenth** day of **October, 2012**.

Signature Date
Jay Borrower

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Texas Home Equity Notice of Right to Rescind

Loan # 12345

- (1) **Your Right To Rescind:** You are entering into a transaction which will result in a security interest in your Property. The owner of the Property and any spouse of the owner may under Texas law rescind this transaction, without penalty or charge, within three (3) days after the loan is made.
- (2) **How To Rescind:** If you decide to rescind this transaction, you may do so by notifying us in writing at:

**Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017**

You may use this notice to rescind by dating and signing below. Keep one (1) copy of this notice because it contains important information about your rights. If you rescind by mail or telegram, you must send the notice no later than midnight of the third day following the date the loan is made. If you send or deliver your written notice to rescind some other way, it must be delivered to the above address no later than that time.

I Wish To Rescind: (Only one Property Owner's signature is required to effect a rescission.)

Signature Date
Jay Borrower

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

- (3) **Receipt of Notice:** The undersigned hereby represents and warrants that I/we am the only person(s) with an ownership interest in the Property. We hereby acknowledge that the transaction on the fact of this Notice was consummated and that we have each received one copy of this Notice on the **Fifteenth** day of **October, 2012**.

Signature Date
Jay Borrower

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

**Texas Home Equity
Election Not to Rescind**

Loan # 12345

I/We Do Not Wish to Rescind: (Do not sign this document until after time for rescission has expired).
The undersigned hereby certifies that more than three (3) days have elapsed since my/our loan has been made.
I/We acknowledge receiving copies of all documents signed by the Owner related to the loan from Lender (or a settlement agent on behalf of Lender), at the time the loan was made.

The undersigned has not exercised his/her right to rescind.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Texas Home Equity Election Not to Rescind

Loan # 12345

I/We Do Not Wish to Rescind: (Do not sign this document until after time for rescission has expired).
The undersigned hereby certifies that more than three (3) days have elapsed since my/our loan has been made.
I/We acknowledge receiving copies of all documents signed by the Owner related to the loan from Lender (or a settlement agent on behalf of Lender), at the time the loan was made.

The undersigned has not exercised his/her right to rescind.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
 Borrower: **Jay Borrower, a single person**
 Property: **555 Main Avenue, Arlington, Texas 76017**

First Payment Letter and Mailing Address Certification

Loan # 12345

Your first payment will be due **December 1, 2012**.

To assure proper credit on your account, please include your loan number as indicated above on all of your loan payment checks. Unless otherwise indicated in your promissory note, each loan payment is due on the **1st** day of the month. Each payment should be mailed early enough for it to reach the holder of the note on or before that date. Payments received after that date are DELINQUENT and could affect your credit rating. Unless otherwise indicated in your note, payments received after the end of the **15th** day of the month due are subject to late charges. Your Payment is itemized below. The payment may change due to changes in any of the components of the Payment (including a possible interest rate change if the loan contains a variable rate feature). New payment coupons (including any adjusted amounts) will be mailed to you at your last known address.

If you do not receive your payment coupons before the date the **FIRST PAYMENT IS DUE AND WE DO NOT NOTIFY YOU TO MAIL SAID PAYMENT DIRECTLY TO US, WHICH WE EXPRESSLY RESERVE THE RIGHT TO DO**, please mail your check along with the temporary payment coupon enclosed.

Your estimated "Payment" amount is **\$1,162.21**, totaled from these payment elements:

Description	Amount
Principal and Interest:	\$895.54
Homeowner's insurance:	\$100.00
Property taxes:	\$166.67
Total:	\$1,162.21

In order for Lender to provide Borrower(s) with mortgage coupon payment booklets and to correspond with Borrower(s) on matters of importance, Lender requests Borrower(s) to provide the following information:

Present Mailing Address: _____
 City, State & ZIP Code: _____
 Present Telephone Number (include area code): _____
 Anticipated Moving Date: _____
 New Mailing Address: _____
 City, State & ZIP Code: _____
 New Telephone Number (including area code)(if known): _____

If Borrower(s) desires the mailing address to be different than the address of the Property indicated on the survey, Borrower(s) must provide the correct mailing address above. I/We, the above referenced Borrower(s), certify the above mailing information to be true and correct and further agree to notify the holder or servicer of the note immediately of any change of address by certified mail, return receipt requested, to the address stipulated in the Mortgage/Deed of Trust as being the address where Loan payments are to be mailed. No other knowledge, whether actual or constructive, by the holder of the note or any of its agents or employees, will be sufficient to put the holder of the note on notice of any change of Borrower(s) mailing address and/or telephone number.

Signature

Date

Jay Borrower

[Sign Originals Only]

TEMPORARY PAYMENT COUPON

1st Payment

Loan # 12345 **PAYMENT AMOUNT \$1,162.21** **PAYMENT DUE DATE: 12/1/2012**
BORROWER'S NAME: Jay Borrower, a single person
PROPERTY ADDRESS: 555 Main Avenue, Arlington, Texas 76017

Note to Borrower: These temporary payment coupons should be used if you have not received your mortgage loan coupon booklet prior to the due date of this payment. The payment amount listed is only an estimate, since all the necessary data for your loan has not been compiled. Please cut out the coupon and remit it with your check to:

Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017

----- CUT HERE -----

TEMPORARY PAYMENT COUPON

2nd Payment

Loan # 12345 **PAYMENT AMOUNT \$1,162.21** **PAYMENT DUE DATE: 01/1/2013**
BORROWER'S NAME: Jay Borrower, a single person
PROPERTY ADDRESS: 555 Main Avenue, Arlington, Texas 76017

Note to Borrower: These temporary payment coupons should be used if you have not received your mortgage loan coupon booklet prior to the due date of this payment. The payment amount listed is only an estimate, since all the necessary data for your loan has not been compiled. Please cut out the coupon and remit it with your check to:

Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017

----- CUT HERE -----

TEMPORARY PAYMENT COUPON

3rd Payment

Loan # 12345 **PAYMENT AMOUNT \$1,162.21** **PAYMENT DUE DATE: 02/1/2013**
BORROWER'S NAME: Jay Borrower, a single person
PROPERTY ADDRESS: 555 Main Avenue, Arlington, Texas 76017

Note to Borrower: These temporary payment coupons should be used if you have not received your mortgage loan coupon booklet prior to the due date of this payment. The payment amount listed is only an estimate, since all the necessary data for your loan has not been compiled. Please cut out the coupon and remit it with your check to:

Some Texas Bank
2310 W Interstate 20, 100
Arlington, TX 76017

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Flood Insurance Coverage Subject to Possible Change

Loan # 12345

If your property is or becomes zoned for required flood insurance and we assign, sell or transfer the servicing of your mortgage loan, your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum available under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of closing your loan versus what subsequently the new lender/servicer may require.

Acknowledged by Borrower(s) this **Fifteenth** day of **October, 2012**.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

First Payment Letter

Loan # 12345

To assure proper credit on your account, please include your loan number as indicated above on all of your loan payment checks. Unless otherwise indicated in your promissory note, each loan payment is due on the **1st** day of the month. Each payment should be mailed early enough for it to reach the holder of the note on or before that date. Payments received after that date are DELINQUENT and could affect your credit rating. Unless otherwise indicated in your note, payments received after the end of the **15th** day of the month due are subject to late charges.

Your Payment is itemized below. The payment may change due to changes in any of the components of the Payment (including a possible interest rate change if the loan contains a variable rate feature).

First Payment Due: **December 1, 2012**

Description	Amount
Principal and Interest:	\$895.54
Homeowner's insurance:	\$100.00
Property taxes:	\$166.67
Total:	\$1,162.21

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

**Texas Home Equity
Acknowledgment Regarding
Voluntary Repayment of Existing Debt**

Loan # 12345

I acknowledge that I am voluntarily repaying existing debt owed to Lender from the proceeds of my home equity loan. Lender is not requiring me to apply the proceeds of my home equity loan to any existing debt except debt secured by my homestead or debt to another lender. I acknowledge that I have the right to receive the home equity loan proceeds and not pay off or reduce other existing debt to Lender.

Signature _____ Date _____
Jay Borrower

[Sign Originals Only]

**BORROWER ACKNOWLEDGEMENT OF RECEIPT OF
FEDERAL DISCLOSURES
FOR MORTGAGE TRANSACTIONS SUBJECT TO RESPA**

Words used in this Acknowledgment are defined below. Words in the singular mean and include the plural and vice versa.

“Borrower” is **Jay Borrower, a single person.**

“Lender” is **Some Texas Bank** , and its successors and assigns.

“Property” means the property commonly known as **555 Main Avenue, Arlington, Texas 76017.**

Borrower acknowledges receiving the following notices and disclosures at the times indicated:

REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA) NOTICES

If this is a purchase transaction, consumer booklet entitled Buying Your Home - Settlement Costs and Helpful Information (either at the time of application or by mail postmarked within three (3) business days of Lender’s receipt of the application).

Good Faith Estimate of closing costs (either at the time of application, electronically consistent with the E-Sign Act or by mail postmarked within three (3) business days of Lender’s receipt of the application).

Servicing Disclosure Statement (either at the time of application if there was a face-to-face interview, electronically consistent with the E-Sign Act or by mail postmarked within three (3) business days of Lender’s receipt of the application).

Uniform Settlement Statement HUD-1 or HUD-1A (at or before settlement) in which all charges paid or to be paid by Borrower in connection with the settlement were set forth. The statement was provided for Borrower’s review at least one (1) business day prior to the settlement date, if requested by Borrower.

TRUTH IN LENDING ACT (TILA) NOTICES

Initial Truth in Lending Disclosure Statement (either at the time of application, electronically consistent with the E-Sign Act or by mail postmarked within three (3) business days of Lender’s receipt of the application and before any charges were imposed upon me/us with the exception of a credit report fee).

Final Truth in Lending Statement at least 3 days prior to consummation of the loan if last Truth in Lending was not in tolerance.

If this loan is a refinance transaction and subject to Section 226.32 of Regulation Z, Final Disclosure Required by the Federal Truth in Lending Act and the Federal Reserve Regulation Z for Section 226.32 Mortgages (at least three (3) business days [including Saturdays] prior to consummation of the loan).

If this is a rescindable transaction, two (2) Notices of Right to Cancel (at consummation of the loan). If the loan is to be secured by Borrower’s primary residence and Borrower applied for an adjustable rate feature, Adjustable Rate Mortgage Program Disclosure and consumer booklet entitled Consumer Handbook on Adjustable Rate Mortgages (either at the time of application or before a non-refundable fee was paid, whichever was earlier, or by mail postmarked within three (3) business days of Lender’s receipt of the application from an intermediary agent or broker).

If this transaction was changed to a variable rate program during the processing period, Adjustable Rate Mortgage Program Disclosure and consumer booklet entitled Consumer Handbook on Adjustable Rate Mortgages (before

Borrower Acknowledgement of Receipt of Federal Disclosures (Multistate)

consummation of the loan).

NATIONAL FLOOD INSURANCE ACT (NFIA) NOTICE

If the Property is or will be located in an area designated by the Federal Emergency Management Agency as an area having special flood hazards, Notice of Special Flood Hazards and Availability of Federal Disaster Relief Assistance (at a reasonable time prior to closing).

HOMEOWNERS PROTECTION ACT OF 1998 (HPA) NOTICES

If this transaction has private mortgage insurance to be paid by Lender, Lender Paid Private Mortgage Insurance Notice (at or before the time of loan commitment).

If this transaction has private mortgage insurance to be paid by Borrower, Private Mortgage Insurance Disclosure (at consummation of the loan).

RIGHT TO RECEIVE COPY OF APPRAISAL

Lender has provided me/us with a copy of the appraisal report of the Property either upon completion of the appraisal or at least three business days prior to closing, unless otherwise waived three days before closing not applicable to FHA or VA loans..

GRAMM-LEACH-BLILEY ACT (FINANCIAL PRIVACY) Notice

Lender provided me/us with a copy of Lender's Financial Privacy Notice detailing Lender's policy on the matter.

Signature Date

Jay Borrower

[Sign Originals Only]

Borrower Acknowledgement of Receipt of Federal Disclosures (Multistate)

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

**Acknowledgment Regarding
Fair Market Value of Homestead Property**
(Pursuant to Section 50(a)(6)(Q)(ix), Article XVI of the Texas Constitution)

Loan # 12345

I, the undersigned Owner, acknowledge that I am an Owner of the property (the "Homestead Property"), which will secure an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution.

The Lender and I acknowledge that on the date the extension of credit is made, the fair market value of the Homestead Property is **\$250,000.00**.

I understand that Lender is relying on this written acknowledgment regarding the fair market value of the Homestead Property ("Acknowledgment") as a condition of making the extension of credit and I have no knowledge, or reason to believe, that the fair market value of the Homestead Property stated in this Acknowledgment is incorrect.

I further acknowledge that the undersigned includes all owners of the Property.

When this Acknowledgment is executed by more than one person, the instrument shall read as if pertinent verbs, nouns and pronouns were changed correspondingly, and reference to any gender shall include either gender, all as the case may be.

["X" if applicable] The fair market value indicated herein is the value estimated in the appraisal which was prepared in accordance with state or federal requirements applicable to this extension of credit.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THE EXTENSION OF CREDIT MUST BE CLOSED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW, OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

Signature

Date

Jay Borrower

[Sign Originals Only]

Some Texas Bank

By: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Appraisal Receipt

Loan # 12345

I/We, the undersigned Borrower(s), hereby certify that I/we have received, reviewed and approved a copy of the appraisal dated **10/31/2012** prepared by **Appraisal Group**.
(Blanks to be completed by Borrower(s) if not already completed.) I/We will forever hold Lender harmless from any complaint arising as a result of said appraisal.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**
Date: **October 15, 2012**

Appraisal Report Disclosure

Loan # 12345

The Equal Credit Opportunity Act (15 USC 1691(e)) and the Fannie Mae and Freddie Mac (FNMA/FHLMC) Appraiser Independence Requirements require that:

The lender shall ensure that the borrower is provided a copy of any appraisal report concerning the borrower's subject property promptly upon completion at no additional cost to the borrower, and in any event no less than three business days prior to the closing of the loan. The borrower may waive this three business day requirement. The lender may require the borrower to reimburse the lender for the cost of the appraisal.

- By signing this document, Borrower acknowledges receipt of the completed appraisal report at least three business days prior to closing of the loan.
- By signing this document, Borrower acknowledges and agrees that at least three days prior to closing of the loan, Borrower waived the requirement that the completed appraisal report be delivered to Borrower at least three business days prior to the closing of the loan, and consented to delivery of the completed appraisal report at or before closing.

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge receipt of this Appraisal Report Disclosure and further acknowledge that I understand its provisions. Words used in this document mean and include the plural and vice versa.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Attorney Representation Notice

Loan # 12345

This Attorney Representation Notice (“Notice”) is entered into between PeirsonPatterson, LLP (“We”, “our” or “us”) and Jay Borrower, a single person (“you” or “your” whether one or more), herein referred to as “Borrower”.

LOAN DOCUMENTATION. PeirsonPatterson, LLP (We”, “us” or “our”) has prepared the legal instruments involved in this loan using information supplied by the Lender and other third parties. We have acted only on behalf of the Lender. We and the Lender have not assisted or rendered legal advice to Borrower with respect to the loan or the Property securing it or the documents executed in connection with it. If Borrower has any questions about the meaning of any document or Borrower’s legal rights, Borrower should retain personal legal counsel for advice in this transaction.

DESCRIPTION OF LEGAL SERVICES PERFORMED. We may have prepared all or part of the following legal instruments affecting title to the Property: Deed (if a purchase transaction), Note, Security Instrument and Assignment of Lien (if requested).

DISCLAIMER OF REPRESENTATION OR WARRANTY. We have not conducted a title search on the Property, and make no representation or warranty about condition of the title, access to the Property or any other matters that might be revealed from Borrower’s examination of a survey, title information, or the Property itself. **Borrower is cautioned to make sure the Deed delivered to Borrower conveys what Borrower has contracted to purchase.**

DATA SUPPLIED BY LENDER. The disclosure calculations and fee data have been supplied by the Lender. We make no representations regarding the value of the Property, conformance with any limitations on fees, waiting periods or any other matters outside our control.

RESPONSIBILITY FOR PAYMENT OF FEES. As part of Borrower’s obligation to pay the expenses of the Lender in connection with the preparation of the legal documentation, Borrower agrees to pay directly to us at loan closing, the amount indicated on the Attorney Invoice, unless Lender has noted otherwise in their closing instructions.

BASIS FOR FEE. The document preparation fee charged by us is based on a per transaction charge rather than an hourly fee. This fee is intended to provide fair compensation for our services, taking into consideration the time and labor required, the complexities of the questions involved, and the skill required to perform the services. Other considerations include our expertise in the complexities of the real estate practice, the necessary overhead associated with the rendering of the services and our assumption of risk in the rendering of the services. There has been no charge made for any disclosures or information required by the Real Estate Settlement and Procedures Act, the Truth-in-Lending Act or the Homeowners’ Protection Act.

NOTICE TO BORROWER REGARDING DEED PREPARATION. We represent Lender and only Lender in this transaction. If we have prepared a draft deed, it has been at the request of Lender. Borrower is advised to consult its legal counsel with any questions before signing the draft deed. We have provided the draft deed as a convenience. **IF THE DRAFT DEED WE PREPARED IS USED, BORROWER (OR ITS ATTORNEY) SHOULD REVIEW AND AMEND IT, IF NECESSARY, TO MAKE CERTAIN THAT IT IS CONSISTENT**

Attorney Representation Notice

WITH THE SALES CONTRACT AND CORRECTLY REFLECTS THE CONDITION OF TITLE FOR THE PROPERTY AND THE OBLIGATIONS OF THE PARTIES TRANSFERRING RIGHTS TO REAL PROPERTY, AND IF APPLICABLE RESERVING CERTAIN RIGHTS, FOR EXAMPLE MINERAL INTEREST, IS AN INHERENTLY COMPLEX MATTER AND CONTEMPLATES THE INVOLVEMENT OF ATTORNEYS. IF APPLICABLE, THE DEED SHOULD BE AMENDED TO REFLECT ANY MINERAL OR OTHER RESERVATION. BE CERTAIN THAT THE DEED EXPRESSES THE INTENT OF SELLER AND BORROWER. Another deed, or amendments to the draft deed, must be reviewed and approved by us prior to its execution.

Borrower hereby acknowledges receiving and reading a copy of this Notice and affirms the accuracy of the statements contained herein.

BORROWER(S):

Signature _____ Date _____
Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Borrower Affidavit

Loan # 12345

I/We the undersigned Borrower(s) for and in consideration of the above referenced Lender attest that, since the date of my/our original loan application:

1. I/we have not incurred any additional debt obligations and all debt information stated on the original loan application is the only debt I/we have and the credit balances and payments have not increased.

2. The status of my/our employment has not changed; all employment information stated on the original loan application remains true and accurate; and I/we have not received any notifications from my/our employer(s) indicating a change in my/our employment and/or income status.

DATED effective this _____ day of _____.

Signature Date
Jay Borrower

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jay Borrower.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Borrower's Closing Affidavit

Loan # 12345

Before me, the undersigned authority duly authorized to take acknowledgements and administer oaths, personally appeared the above referenced Borrower(s) who, upon being duly sworn depose and says as follows:

Words used in this Affidavit are defined below. Words in the singular mean and include the plural and vice versa.

"Borrower" is **Jay Borrower, a single person**

"Lender" is **Some Texas Bank**, and its successors or assigns.

"Loan" means the debt evidenced by the Note and all sums due under the Security Instrument.

"Note" means the promissory note(s) dated **October 15, 2012**, signed by Borrower in favor of Lender.

"Property" means the property commonly known as **555 Main Avenue, Arlington, Texas 76017**.

"Security Instrument" means the Deed of Trust/Mortgage/Security Deed/Security Instrument signed by Borrower in favor of Lender, securing payment of the Note.

"Settlement Agent" is **Your Title Company**.

BEFORE ME, the undersigned authority, on this day, personally appeared Borrower, known to me to be the person whose name is subscribed below and after being duly sworn by me did each on his or her oath state the following:

1. **OCCUPANCY STATUS.** [Check applicable box.]

- Primary Residence.** The Property is/will be Borrower's primary residence. This means at least one (1) Borrower who executes the Note and Security Instrument will take title to and occupy the Property. The Property is now occupied as Borrower's primary residence or will be occupied as Borrower's primary residence no later than sixty (60) days after this date or the date the Property shall first become ready for occupancy as a habitable dwelling. That Borrower shall continue to occupy the Property as that Borrower's primary residence for at least one (1) year after the execution of the Loan documentation unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond that Borrower's control. Furthermore, all bills for utilities, water, and/or sewerage are in that Borrower's name.

If applicable,

Borrower(s) will not occupy the Property, nor allow any others to occupy the Property, until construction is complete and municipal approvals have been issued, if required, and Lender gives written consent following final inspection. Borrower(s) will not store any item in or on the Property, or allow others, that is not related to the construction of improvements on the Property.

Borrower(s) hereby certify that upon completion the Property will be Borrower's principal residence. This means at least one of the Borrowers who executes the Note and Security Instrument has title to and upon completion, shall occupy the Property. Borrower shall continue to occupy the Property as Borrower's principal residence for at least one year after completion of the improvements unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld or unless extenuating circumstances exist which are beyond Borrower's

control.

BORROWER(S) ACKNOWLEDGE THAT THIS OCCUPANCY AFFIDAVIT IS GIVEN AS A MATERIAL INDUCEMENT TO CAUSE LENDER TO MAKE A LOAN TO BORROWER(S) AND THAT ANY FALSE STATEMENTS, MISREPRESENTATIONS OR MATERIAL OMISSIONS SHALL CONSTITUTE A BREACH OF THE BORROWER(S) OBLIGATION TO LENDER AND THAT ALL THE PROVISIONS OF THE MORTGAGE/DEED OF TRUST INDENTURE CONCERNING DEFAULT IN THE NOTE WILL THEREUPON BE IN FULL FORCE AND EFFECT.

- Secondary Residence.** The Property is/will be Borrower's secondary residence. A secondary residence is a single-family property that is currently or will be occupied by at least one (1) Borrower in addition to that Borrower's primary residence. **The property will not be income-producing.**
- Investment Property.** The Property is/will be investment property. The Property will not be occupied or claimed as a primary or secondary residence by any Borrower, and may produce revenue. Each Borrower now owns, resides, uses, and claims another property or properties as a primary residential or homestead.
2. **FINANCIAL STATUS.** Borrower understands that Lender is granting the Loan based on the representations made in the Loan application given by Borrower to Lender. Borrower hereby certifies that all statements related to the Loan application, including but not limited to, financial, marital, and employment status, have not changed, and to the best of Borrower's knowledge, will not change in the foreseeable future. If the Property is being purchased by Borrower, the funds for down payment and closing costs are being paid from the source stated on the Loan application. There is no secondary financing in this transaction that has not been disclosed to Lender. Borrower certifies that if the Loan application states that other real estate was to be sold, that such transaction has taken place and Borrower no longer has title to that real estate. If the Property is currently owned by Borrower, Borrower certifies that there are no delinquent state, county, city, school, water district, utility district, or other governmental taxes or assessments due or owing against the Property and that no tax suit has been filed by any state, county, municipality, water district, utility district, or other governmental agency for taxes or assessments levied against Borrower which have not been disclosed in writing to Lender. Borrower also certifies that there are no unpaid paving or utility assessments or delinquent owner association dues. There are no suits filed by or pending against Borrower in any federal or state court which have not been disclosed in writing to Lender.
3. **PROPERTY ACCEPTANCE.** Borrower acknowledges that the Property and all of its improvements, fixtures, appliances, and other parts are in good and satisfactory working order and in the conditions contracted for. If the Property is new construction, Borrower finds that the improvements erected on the Property have been completed substantially in accordance with the plans and specifications. If this is the purchase of an existing dwelling, Borrower has accepted the condition thereof, and all terms of the sales contract (including any required repairs and inspections) have been met. If the Property is or will be initial construction, Borrower will sign an affidavit of completion once Borrower finds the improvements are completed substantially in accordance with the plans and specifications and to Borrower's satisfaction and that the terms of the contract between Borrower and the contractor have been fully carried out. The matters acknowledged in this paragraph are to the best of Borrower's knowledge and belief, and nothing in this Affidavit is to be construed as a waiver of any claims, damages, causes of action, or rights under any warranty, expressed or implied, against any party other than Lender.
4. **SURVEY.**

If a Survey is required then, Borrower hereby certifies that Borrower has received, reviewed, and approved a copy of the survey which is incorporated herein by reference and has signed or initialed and dated same for identification purposes. Borrower is aware of the indicated encroachments, protrusions, easements, limitations, access, dimensions, and/or other conditions shown on the survey. In consideration of Lender making the Loan to Borrower, Borrower hereby indemnifies and holds Lender harmless from any claims, costs, damages, causes of action, and expenses in any way arising as a result of the Property condition or any matters indicated in the survey.

If a current Survey is acceptable then, since the date of the survey provided by Borrower, which survey has been signed or initialed and dated for identification purposes, Borrower certifies and represents that no improvements or structural changes or additions to the Property have been made. Borrower is aware of the indicated encroachments, protrusions, easements, limitations, access, dimensions, and/or other conditions shown on the survey. In consideration of Lender making the Loan to Borrower, Borrower hereby indemnifies and holds Lender harmless from any claims, costs, damages, causes of action, and expenses in any way arising as a result of the Property condition or any matters indicated in the survey.

If a Survey is not required then, Borrower understands that a current survey is not required by Lender for this transaction, however, if Borrower desires, Borrower may have a current survey made. Borrower represents to Lender that Borrower understands that a survey would indicate existing encroachments, protrusions, easements, limitations, access, dimensions, or other conditions.

Borrower represents to Lender that Borrower has not received from any third party any notice or claim of any limitation of the use and enjoyment of the Property not indicated by the most recently obtained survey.

5. **TITLE INSURANCE.** If Title Insurance is required by Lender, Borrower certifies that Settlement Agent has provided Borrower with a copy of the Commitment for Title Insurance and that Borrower has reviewed and consents to all of the exceptions to title which would appear in an Owner's Title Policy for the Property.

In consideration of Lender making the Loan to Borrower, Borrower hereby indemnifies and holds Lender harmless from any claims, costs, damages, causes of action and expenses in any way arising as a result of the Property condition and performance under any contract of sale between Borrower and any Seller of the property, or any matters indicated as exceptions stated in the Commitment for Title Insurance, and the Owner's and Mortgagee's Title Insurance Policies.

6. **HOLD HARMLESS.** Borrower has been made aware of the following specific conditions affecting the Property and does hereby indemnify and hold harmless Lender from any claims, costs, damages, causes of action, and expenses in any way arising from the following conditions or other matters:

ACKNOWLEDGMENT OF RECEIPT

Borrower acknowledges that this Borrower's Closing Affidavit is given as a material inducement to cause Lender to make the Loan to Borrower. Borrower understands that it is illegal to provide false information in an application for a mortgage loan. Mortgage fraud is punishable by up to 30 years in federal prison or a fine up to \$1,000,000 or both under the provisions of title 18, United States Code, Sec. 1001, et seq. The agreements and covenants contained herein shall survive the closing of this Loan transaction.

Signature

Date

Jay Borrower

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jay Borrower.**

Notary Public

Printed Name of Notary: _____

My Commission Expires: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Certification and Authorization To Release Information

Loan # 12345

Words used in this Certification and Authorization are defined below. Words in the singular mean and include the plural and vice versa.

“Borrower” is **Jay Borrower, a single person.**

“Lender” is **Some Texas Bank** , and its successors, assigns or agents.

Borrower certifies the follows:

1. Borrower has applied for a mortgage loan from Lender. In applying for the loan, Borrower completed a loan application containing information on the purpose of the loan, the amount and source of the down payment, employment and income verification, and assets and liabilities. Borrower certifies that all of the information is true and complete. Borrower made no misrepresentations in the loan application or other documents, nor did Borrower omit any pertinent information.
2. Borrower understands and agrees that in the event the loan is processed under a reduced documentation program, Lender 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 Borrower’s employer and/or a financial institution.
3. Borrower fully understands 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.

To Whom It May Concern:

1. Borrower has applied for a mortgage loan from Lender. As part of the application process, Lender may verify information contained in Borrower’s 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. Borrower authorizes you to provide to Lender any and all information and documentation that it requests. 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. Lender may address this authorization to any party named in the loan application.
4. A copy of this authorization may be accepted as an original.
5. Your prompt reply to Lender it successors, assigns or agents is appreciated.

Certification and Authorization to Release Information

NOTICE TO BORROWERS: This notice to you as required by the Right to Financial Privacy Act of 1978 that HUD/FHA has a right to access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

Signature

Date

Jay Borrower

[Sign Originals Only]

Certification and Authorization to Release Information

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

**Texas Home Equity
Certificate from Originating Lender's Attorney
Regarding Compliance with Section 50(a)(6),
Article XVI of the Texas Constitution**

Loan # 12345

This Loan is an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution.

The undersigned attorney ("Attorney") represents the originating lender ("Lender") and has prepared the loan closing documents for the above referenced Loan and does hereby warrant, certify and represent that those documents comply with all requirements of Section 50(a)(6), Article XVI of the Texas Constitution in effect at the time of originating the Loan including, but not limited to, the following:

- 1) Based upon information provided to Attorney by Lender, the extension of credit is of a principal amount that when added to the aggregate total of the outstanding principal balances of all other indebtedness secured by valid encumbrances of record against the homestead property does not exceed eighty percent (80%) of the fair market value of the homestead property on the date the extension of credit is made.
- 2) Based upon information provided to Attorney by Lender, the extension of credit does not require the owner or the owner's spouse to pay, in addition to any interest, fees to any person that are necessary to originate, evaluate, maintain, record, insure, or service the extension of credit that exceed, in the aggregate, three percent (3%) of the original principal amount of the extension of credit.
- 3) Based upon information provided to Attorney by Lender, the extension of credit is not secured by homestead property designated for agricultural use as provided by statutes governing property tax.
- 4) Based upon information provided to Attorney by Lender, the extension of credit was not closed before the 12th day after the later of the date that the owner of the homestead property submitted an application to the Lender for the extension of credit or the date that the Lender provided the owner a copy of Notice Concerning Extension of Credit as required by Section 50(g), Article XVI of the Texas Constitution.
- 5) The loan documents prepared by Attorney did not include any instrument in which blanks were left to be filled in.
- 6) The loan documents prepared by Attorney (including but not limited to the promissory note, security instrument, any security instrument rider, affidavit and agreement and acknowledgement of fair market value) are compliant with all applicable law including, but not limited to, the Texas Constitution and all Texas Administrative Code rules, and including all the necessary loan closing documents to comply with Texas home equity lending requirements. The promissory note, security instrument, any riders to security instrument and affidavit and agreement provided by Attorney were current versions of the Texas home equity documents as announced and promulgated by Fannie Mae and Freddie Mac and known as "uniform standard instruments".

The above is warranted, certified, and represented to be true and correct. Attorney acknowledges that because of these representations **its affiliates, successors and/or assigns** will be advancing proceeds for the purchase of said extensions of credit. If it were not for the truth and accuracy of the warranties, certifications and representations set forth herein, such funds would not be advanced. Attorney holds harmless **its affiliates, successors and/or assigns** and any subsequent owner/holder of the extension of credit from loss, cost, or expense if any of these representations are false and/or inaccurate.

ATTORNEY:

Law Firm: PeirsonPatterson, LLP



By: _____ 11/1/2012 _____
Date

Texas Home Equity Certificate from Originating Lender's Attorney Regarding
Compliance with Section 50(a)(6) Article XVI of the Texas Constitution

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

**Texas Home Equity
Certificate from Originating Lender
Regarding Compliance with Section 50(a)(6),
Article XVI of the Texas Constitution**

Loan # 12345

The loan is an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution. (“**Originating Lender**”) does hereby warrant, certify and represent that Originating Lender complied with all requirements of Section 50(a)(6), Article XVI of the Texas Constitution in effect at the time of originating the loan including, but not limited to, the following:

1. The extension of credit is of a principal amount that when added to the aggregate total of the outstanding principal balances of all other indebtedness secured by valid encumbrances of record against the homestead property does not exceed eighty percent (80%) of the fair market value of the homestead property on the date the extension of credit is made.
2. At least one day prior to closing, the owner of the homestead property has received a copy of the loan application if not previously provided and a final itemized disclosure of the actual fees, points, interest, costs, and charges that will be charged at closing. If a bona fide emergency or another good cause exists and the lender obtains the written consent of the owner, the lender may provide the documentation to the owner or the lender may modify previously provided documentation on the date of closing.
3. The extension of credit does not require the owner or the owner's spouse to pay, in addition to any interest, fees to any person that are necessary to originate, evaluate, maintain, record, insure, or service the extension of credit that exceed, in the aggregate, three percent (3%) of the original principal amount of the extension of credit.
4. The extension of credit is not secured by homestead property designated for agricultural use as of the date of closing as provided by statutes governing property tax unless such homestead property is used primarily for the production of milk and the owner of the homestead property has given Originating Lender an affidavit to such effect.
5. The extension of credit was not closed before:
 - (i) the 12th day after the later of the date that the owner of the homestead property submitted a loan application to the Originating Lender for the extension of credit or the date that the Originating Lender provided the owner a copy of the Notice Concerning Extensions of Credit as required by Section 50(g), Article XVI of the Texas Constitution in the English language and in a language other than English if the discussions with the borrower were conducted primarily in a language other than the English language; and
 - (ii) the first anniversary of the closing date of any other Texas home equity extension of credit secured by the same homestead property, except: (i) a “cure” refinance as described by Section 50(a)(5)(Q)(x)(f), Article XVI of the Texas Constitution; or (ii) the owner of the homestead on oath requested an earlier closing due to a declared state of emergency.

**Texas Home Equity Certificate from Originating Lender Regarding Compliance
with Section 50(a)(6), Article XVI of the Texas Constitution**

6. The extension of credit was closed at either the office of the Originating Lender, an attorney at law, or a title company.

7. Originating Lender is one of the following and has not been found by a federal regulatory agency to have engaged in the practice of refusing to make loans because the applicants for the loans reside in or the property proposed to secure the loan is located in a certain area:

(i) a bank, savings and loan association, savings bank, or credit union doing business under the laws of this state or the United States;

(ii) a federally chartered lending instrumentality or a person approved as a mortgagee by the United States government to make federally insured loans;

(iii) a person licensed to make regulated loans, as provided by statute of this state;

(iv) a person who sold the homestead property to the current owner and who provided all or part of the financing for the purchase;

(v) a person who is related to the homestead property owner within the second degree of affinity or consanguinity; or

(vi) a person regulated by this state as a mortgage broker.

8. The owner of the homestead property was not required to apply the proceeds of the extension of credit to repay another debt except debt secured by the homestead property or debt to another lender.

9. The owner of the homestead property did not sign any instrument in which blanks relating to substantive terms of agreement were left to be filled in.

10. The Originating Lender, at the time the extension of credit was made, has provided or caused to be provided the owner of the homestead property copies of the final loan application and all documents signed by the owner at closing related to the extension of credit.

11. The owner of the homestead property and any spouse of the owner did not, within three (3) business days after the extension of credit was made, rescind the extension of credit.

12. The owner of the homestead property and the Originating Lender signed a written acknowledgment as to the fair market value of the homestead property on the date the extension of credit was made.

13. If the extension of credit is a home equity line of credit:

(i) any single debit or advance was not less than \$4000; and

(ii) the Originating Lender did not permit the use of a credit card, debit card, preprinted check that the owner did not solicit, or similar device in order to obtain an advance.

14. The Originating Lender has obtained title insurance, subject to policy terms, on the following matters:

(i) the failure of the insured mortgage to be created under a written agreement with the consent of each owner of the estate or interest described in Schedule A and each owner's spouse.

(ii) the land being homestead property designated for agricultural use as of the date of closing as provided by statutes governing property tax.

(iii) the indebtedness secured by the lien of the insured mortgage on the land not being the only debt secured by a valid lien on the land at the time the extension of credit is made pursuant to the insured mortgage unless the other debt was made for a purpose described by Subsections(a)(1) through (a)(5) of Section 50 of Article XVI, Texas Constitution.

(iv) the extension of credit secured by the lien of the insured mortgage closing before the first anniversary of the closing date of any other extension of credit described by Subsection (a)(6) of Section 50 of Article XVI of the Texas Constitution and secured by a valid lien on the land.

(v) the failure of the insured mortgage to contain a disclosure that the extension of credit is the type of credit defined by Section 50(a)(6), Article XVI of the Texas Constitution.

(vi) the extension of credit secured by the lien of the insured mortgage being closed at a location other than the office of the lender, an attorney at law, or a title company.

The above is warranted, certified, and represented to be true and correct. Originating Lender acknowledges that because of these representations a third party will be advancing proceeds for the purchase of said extension of credit and advancing proceeds for same. If it were not for the truth and accuracy of the warranties, certifications and representations set forth herein, such funds would not be advanced. Originating Lender holds harmless any subsequent owner/holder of the extension of credit from any loss, cost, or expense if any of these representations are false and/or inaccurate. Originating Lender hereby grants to any assignee of the extension of credit the right of offset against any sums owed to Originating Lender for any breach of Originating Lender's obligations herein.

ORIGINATING LENDER:

Some Texas Bank

By: _____

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by
_____ of **Some Texas Bank, on behalf of said limited liability
partnership.**

Notary Public
Printed Name: _____
My commission expires: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Deletion of Arbitration Provision
(Not applicable to the Texas Residential Owner Policy)

Loan # 12345

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company (“the Company”). However, if you agree to arbitrate, you give up your right to take the Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator’s award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$1,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The Arbitration provision in the Policy is as follows:

“Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules or the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this Policy, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less SHALL BE arbitrated at the request of either Company or the Insured, unless the Insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorneys’ fees only if the laws of the state in which the land is located permit a court to award attorney’s fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The Law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

I request deletion of the Arbitration provision.

Some Texas Bank

By: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Disclosure of Right to Receive a Copy of an Appraisal

Loan # 12345

Applicant(s) name(s) / Address(es) ("You", "Your") Jay Borrower, a single person 555 Main Avenue Arlington, TX 76017	Lenders name / Address ("We", "Us") Some Texas Bank 2310 W Interstate 20, 100 Arlington, Texas 76017
--	--

DATE: **October 15, 2012**

Under the Equal Credit Opportunity Act (ECOA) you have the right to receive a copy of the appraisal report used in connection with your application for credit. If you wish to receive a copy, please follow the instructions provided below.

We must hear from you no later than 90 days after we notify you about the action taken on your loan application (the credit decision). If you withdraw your application before we take action, we must hear from you no later than 90 days after you withdraw your application.

To request a copy of the appraisal report, you must contact us by writing to us at the address provided above. Please provide us with the following information at the time you make your request:

- The names of the applicant(s)
- The date of your application
- The address of the appraised property
- The address to which we should send the copy of the report

The ECOA requires that we mail or deliver a copy of the appraisal report promptly (generally within 30 days) after we receive your request, receive the appraisal report, or receive reimbursement from you for the report, whichever occurs last.

Signature

Date

Jay Borrower

[Sign Originals Only]

Disclosure of Right to Receive a Copy of an Appraisal

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Document Correction Agreement

Loan # 12345

AGREEMENT TO CORRECT OR PROVIDE ADDITIONAL DOCUMENTATION OR FEES: In consideration of Lender disbursing funds for the closing of the Loan secured by the Property being encumbered, and regardless of the reason for any loss, misplacement, or inaccuracy in any loan documentation, Borrower(s) agrees as follows: That, should a document be lost or misplaced, misstated or inaccurately reflect the true and correct terms and conditions of the Loan, upon the request of the Lender (including persons acting on behalf of the Lender) or Settlement Agent, Borrower(s) will comply with Lender's request to execute, acknowledge, initial and deliver to Lender any documentation Lender deems necessary to replace or correct the lost, misplaced, misstated or inaccurate documents(s). Borrower's completed and accepted final application and any disclosure statements provided by Lender shall be evidence of Borrower's and Lender's intent regarding the agreed terms and conditions of the loan. If a replacement note is executed, the Lender hereby indemnifies the Borrower(s) against any loss associated with a demand on the original executed note. The documents Lender requests Borrower(s) to execute, acknowledge, initial and deliver pursuant to this Paragraph shall hereinafter be referred to as "Replacement Documents." Borrower(s) agrees to deliver the Replacement Documents within ten (10) days after receipt by Borrower(s) of a written request from Lender for such replacement. Borrower(s) also agrees that upon the request of the Lender (including persons acting on behalf of the Lender) or Settlement Agent, Borrower(s) will comply with Lender's reasonable request to supply additional documentation and/or to pay Lender any additional sums previously disclosed to Borrower(s) as a cost or fee associated with the Loan which for whatever reason was not collected at closing. The documents or fees Lender requests Borrower(s) to provide pursuant to this Paragraph shall hereinafter be referred to as "Additional Documents or Fees."

REQUEST BY LENDER: Any request by the Lender, (including persons acting on behalf of the Lender) or Settlement Agent for any Additional Documents or Fees shall be prima facie evidence of the necessity for same. A written statement from Lender, (including persons acting on behalf of the Lender) or Settlement Agent, addressed to Borrower(s) at the address indicated in the documentation shall be considered conclusive evidence of the necessity for said Additional Documents or Fees or corrections thereof.

FAILURE TO DELIVER REPLACEMENT OF ADDITIONAL DOCUMENTS OR FEES MAY CONSTITUTE DEFAULT: Borrower(s)'s failure or refusal to comply with the terms of the Lender's request may, at Lender's election, constitute a default under the note and/or mortgage/deed of trust and give Lender the option of declaring all sums secured by the loan documents immediately due and payable.

BORROWER LIABILITY: If Borrower(s) fails or refuses to execute, acknowledge, initial and deliver the Replacement Documents or provide the Additional Documents or Fees to Lender more than ten (10) days after being requested to do so by Lender, and understanding that Lender is relying on these representations, Borrower(s) agree(s) to be liable for any and all loss or damage which Lender sustains thereby including but not limited to all attorney's fees and costs incurred by Lender.

This Agreement shall inure to the benefit of Lender's successors and assigns and be binding upon the heirs, devisees, personal representatives, successors and assigns of Borrower(s).

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Errors and Omissions Letter

Loan # 12345

October 15, 2012

Loan Amount: **\$125,000.00**

The signatures of each of the Borrowers in the spaces below are consent of the undersigned to the following agreement concerning the Loan.

If any one or more of the documents evidencing, governing, securing or otherwise pertaining to the Loan (the "Loan Documents") does not accurately reflect the terms of the Loan (either at the time or the origination thereof or at any time during the term thereof) due to (i) a mistake (including, without limitation, a miscalculation or other clerical error) by the Lender or its agents, employees, representatives successors or assigns and any one or more of the Borrowers' then, and in such event, each of the undersigned hereby agrees, within the period of time following a request therefore by the Lender a determined by the Lender pursuant to its reasonable discretion and so specified to sign or initial any one or more of the existing Loan Documents whether one or more new documents or take any other action whatsoever requested by the Lender to accurately reflect the terms of the Loan. Each of the undersigned hereby agrees and acknowledges that its failure or refusal to sign or initial any such documents or to take such other action requested by the Lender within such period of time following the request therefore by the Lender shall cause the Borrowers to be "in default" under the Loan Documents.

Signature Date
Jay Borrower

[Sign Originals Only]

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by **Jay Borrower.**

Notary Public
Printed Name: _____
My commission expires: _____

Lender: **Some Texas Bank**
Lender Address: **2310 W Interstate 20, 100, Arlington, TX 76017**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Fair Credit Reporting Act Notice
(Prior to Furnishing Negative Information to
Nationwide Consumer Reporting Agency)

Loan # 12345

Pursuant to the Fair Credit Reporting Act and Regulation V, we are required to provide you with the following information:

We may report information about your loan and/or account to credit bureaus. Late payments, missed payments, or other defaults on your loan and/or account may be reflected in your credit report.

ACKNOWLEDGMENT

I/We have read the above statement and acknowledge receiving a copy by signing and dating below.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Hazard Insurance Information

[Settlement Agent to Complete and Execute]

Loan # 12345

Name of Insurance Company: _____

Name of Insurance Agent: _____

Address of Agent: _____

Phone Number: _____

Type of Insurance: _____

Paid Through Escrow: Yes/No Check No. _____

Amount of Coverage: _____

Amount of Annual Premium: _____

Date of Issuance of Policy: _____

Expiration Date of Policy: _____

The above-referenced new insurance policy and paid receipt for the first year premium (and signed installment note if applicable) is enclosed herewith.

Your Title Company

By: _____
(Settlement Agent Signature)

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, TX 76017**

Mineral Rights Acknowledgment

Loan # 12345

Words used in this Acknowledgment are defined below. Words in the singular mean and include the plural and vice versa.

“**Borrower**” is **Jay Borrower, a single person**

“**Lender**” is **Some Texas Bank**, and its successors or assigns.

“**Loan**” means the debt evidenced by the Note and all sums due under the Security Instrument.

“**Note**” means the promissory note(s) dated **October 15, 2012**, signed by Borrower in favor of Lender.

“**Property**” means the property commonly known as **555 Main Avenue, Arlington, Texas 76017**.

“**Security Instrument**” means the deed of trust/mortgage/security deed/security instrument signed by Borrower in favor of Lender, securing payment of the Note.

Borrower understands that the Property may be subject to mineral development rights held by others and the exercise of those rights could result in a taking of or damage to some or all of the Property. Borrower further understands that the party desiring to exercise its mineral development rights may be liable to Borrower and Lender for reimbursement for exercising such mineral development rights.

The Reimbursement may be considered “Miscellaneous Proceeds” under the Security Instrument.

Borrower hereby acknowledges that Borrower has read this Acknowledgment and fully understands its terms and implications and Borrower is executing it the same day as the Note and Security Instrument, as a material inducement to Lender to make this Loan.

Signature Date
Jay Borrower

[Sign Originals Only]

MORTGAGE FRAUD IS INVESTIGATED BY THE FBI



Mortgage Fraud is investigated by the Federal Bureau of Investigation and is punishable by up to 30 years in federal prison or \$1,000,000 fine, or both. It is illegal for a person to make any false statement regarding income, assets, debt, or matters of identification, or to willfully overvalue any land or property, in a loan and credit application for the purpose of influencing in any way the action of a financial institution.

Some of the applicable Federal criminal statutes which may be charged in connection with Mortgage Fraud include:

- 18 U.S.C. § 1001 - Statements or entries generally
- 18 U.S.C. § 1010 - HUD and Federal Housing Administration Transactions
- 18 U.S.C. § 1014 - Loan and credit applications generally
- 18 U.S.C. § 1028 - Fraud and related activity in connection with identification documents
- 18 U.S.C. § 1341 - Frauds and swindles by Mail
- 18 U.S.C. § 1342 - Fictitious name or address
- 18 U.S.C. § 1343 - Fraud by wire
- 18 U.S.C. § 1344 - Bank Fraud
- 42 U.S.C. § 408(a) - False Social Security Number

Unauthorized use of the FBI seal, name, and initials is subject to prosecution under Sections 701, 709, and 712 of Title 18 of the United States Code. This advisement may not be changed or altered without the specific written consent of the Federal Bureau of Investigation, and is not an endorsement of any product or service.

Signature

Date

Jay Borrower

[Sign Originals Only]

Mortgage Fraud Warning

Lender: **Some Texas Bank**
Borrower: **Jay Borrower**
Property: **555 Main Avenue, Arlington, Texas 76017**

Name Affidavit

Loan # 12345

In reference to the above-described loan transaction, I the undersigned, and being named party in the loan documents for said transaction, on oath do swear that I am one and the same person as:

Signature Date
Jay Borrower

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jay Borrower.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Notice of Assignment, Sale, or Transfer of Servicing Rights

Loan # 12345

You are hereby notified that the servicing of your mortgage loan, that is, the right to collect payments from you, is being assigned, sold or transferred from **Some Texas Bank** to _____, effective _____.

The assignment, sale or transfer of the servicing of the mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer send you this notice at least 15 days before the effective date of transfer, or at closing. Your new servicer must also send you this notice not later than 15 days after this effective date or at closing.

Your present servicer is **Some Texas Bank**. If you have any questions relating to the transfer of servicing from your, present servicer call **(817) 461-5500** between _____ on the following days.
This is a _____ toll-free collect call number.

Your new servicer will be _____.
The business address for your new servicer is _____

_____.

The _____ toll-free collect call telephone number of your new servicer is _____.

If you have any questions relating to the transfer of servicing to your new servicer call at _____, _____ toll-free collect call telephone number between _____ on the following days _____.
The date that your present servicer will stop accepting payments from you is _____.
The date that your new servicer will start accepting payments from you is _____.
Send all payments due on or after that date to your new servicer.

You should also be aware of the following information, which is set out in more detail in Section 6 of the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2605):

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.

Section 6 of RESPA (12 U.S.C. 2605) gives you certain consumer rights. 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

Transferee/Transferor Notice of Transfer of Loan Servicing - Blank

acknowledgement 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. If you want to send a “qualified written request” regarding the servicing of your loan, it must be sent to this address:

_____.

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 Business 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. However, this does not prevent the servicer from initiating foreclosure if proper grounds exist under the mortgage documents.

A Business Day is a day on which the offices of the business entity are open to the public for carrying on substantially all of its business functions.

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section. You should seek legal advice if you believe your rights have been violated.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Notice of No Oral Agreements

Loan # 12345

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Receipt of Notice: The undersigned hereby represents and warrants that I/we have each received and read a copy of this Notice on or before the execution of the "Loan Agreement." "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or any other thing of value or to otherwise extend credit or make a financial accommodation.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
 Borrower: **Jay Borrower, a single person**
 Property: **555 Main Avenue, Arlington, Texas 76017**

**Owner's Affidavit of Compliance
 (Regarding Compliance with Provisions of Section 50(a)(6),
 Article XVI, Texas Constitution)**

Loan # 12345

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned persons(s), who, first being duly sworn according to law, upon oath depose and say:

We, the undersigned person or persons, are all the owners, or spouses of owners, of the above described Property, who occupy the property as our principal residence and homestead (the "Homestead Property"). We, or one or more of us, have made application with the Lender for an extension of credit commonly known as an "equity loan," as authorized by Section 50(a)(6), Article XVI, Texas Constitution, which equity loan will be secured by a lien on the Homestead Property (the "Loan"). We are all the Borrower(s) named in the certain promissory note (the "Note") and the certain mortgage, deed of trust, or other written agreement (the "Security Instrument") that evidence and secure the Loan, or spouses of Borrower(s) named in the security instrument only, both of which instruments are date the same day as this affidavit and are being executed by us contemporaneously with this affidavit and delivered to Lender in connection with the closing of the Loan this date. We are all of lawful age and are making each and every of the representations and statements set forth in this affidavit for the purpose of inducing the Lender to make the Loan and any assignee of the Lender to purchase the Loan:

- | | |
|--------------------------------------|--|
| Voluntary
Lien | 1. The Loan is an extension that is secured by a voluntary lien on the Homestead Property created under a written agreement with the consent of each owner and, if applicable, each owner's spouse; |
| No
Agricultural
Use | 2. The Homestead Property is not designated for agricultural use as provided by statutes governing property tax, or, if designated for agricultural use, the Homestead Property is used primarily for the production of milk; |
| 80%
Loan to
Value | 3. The Loan is of a principal amount that when added to the aggregate total of the outstanding balance of all other indebtedness secured by a valid encumbrance of record against the Homestead Property does not exceed 80 percent of the fair market value of the Homestead Property on this date; and, each of us has this day signed a separate written Acknowledgment as to the Fair Market Value of the Homestead Property that we believe to represent the true and correct value of the Homestead Property as of the date the Loan is made; |
| Constitutional
Notice
Received | 4. The Lender has provided each of us with a written notice on a separate instrument entitled "Notice Concerning Extensions of Credit Defined by Section 50(a)(6), Article XVI, Texas Constitution" as set forth in the constitution, the receipt of which notice we have each acknowledged by signing and dating a copy thereof; The written notice provided us was in the English language, but, if our discussions with the Lender were conducted primarily in a language other than English, the Lender has additionally provided us a copy of the notice before closing of the Loan that is translated into the written language in which our discussions were conducted. |

No Prohibited Terms or Provisions

No Other Equity Loans

Office Closing

Compliance With Timing Requirements

No Blanks

Copies Received

Other Debts to Lender

Other owners or undisclosed liens

5. The Note, Security Instrument, and related closing documents represent the entire agreement between Lender and Borrower with respect to the Loan and there exists no oral or unwritten agreements between us. No agreement of any kind (whether written or unwritten, expressed or implied) exists between Lender and Borrower by or under which terms or provisions prohibited by the constitution or laws of the State of Texas are imposed in connection with the Loan (including expressly no agreement of any kind that the Loan is, or will be, secured by any additional real or personal property other than the Homestead Property or that the Loan proceeds are, or will be, required to be applied to pay another debt except a debt secured by the Homestead Property or a debt to another lender).
6. The Loan is, or will be when closed this date, the only debt secured by the Homestead Property at the time the extension of credit is made, other than any debts secured on the Homestead Property that were made for another purpose authorize by the Texas Constitution. The Loan is, or will be when closed this date, therefore, the only equity loan secured by the Homestead Property of the type defined by Section 50(a)(6), Article XVI, Texas Constitution and the Loan is being closed on, or after, the first anniversary of the closing date of any other equity loan of that type secured by the same Homestead Property.
7. The Loan is being closed this date at the offices of the Lender, or, if not the offices of the Lender, at the offices of an attorney at law or title insurance company authorized by the Lender and not before:
 - a. the 12th day after the later of the date that we submitted an application to the Lender for the extension of credit or the date that the Lender provided us a copy of the written notice concerning equity loans described in paragraph 4, of this affidavit; and,
 - b. the first anniversary of the closing date of any other equity loan secured by the Homestead Property as described in paragraph 6 of this affidavit;
8. We have examined the Note, Security Instrument, and all other documents signed by us in connection with the Loan and verify that we did not sign any instrument in which blanks are left to be filled in, and that we each have been provided a copy of all documents signed by us related to the Loan and the Loan closing, including this affidavit;
9. We have not been asked or required by the Lender to apply the proceeds of the Loan to repay any other debt we may owe to the Lender except, if applicable, proceeds used to refinance an existing debt to the Lender that is secured by the Homestead Property. Should we elect after closing of the Loan to apply any part of the proceeds of the Loan to repay another debt to the Lender in whole or in part, we acknowledge that such payment will have been made voluntarily and not as a requirement of the Lender or as a condition of the Loan;
10. Other than us, there are no other persons and no entities that hold legal title to the Homestead Property. Except as we disclosed in our loan application to the Lender, there are no other encumbrances of record securing debt to anyone or any entity against the Homestead Property, including any second mortgages, home improvement liens or federal tax liens;

Constitutional
Right To
Rescind

Inducement
to Lender

Actual
Fraud

11. We acknowledge and understand that under the Texas Constitution any owner of the Homestead Property, and any spouse of any owner, may, within three (3) days after the execution of credit is made, rescind the loan without penalty or charge;
12. We acknowledge and understand that the representations and statements of fact contained in this affidavit are made under oath for the purpose of inducing the Lender to make an extension of credit of the type defined by Section 50(a)(6), Article XVI, Texas Constitution, that will be secured by a lien on our Homestead Property and that Lender is relying on the truth and accuracy of all such representations and statements of fact in its determination to make the extension of credit and to disburse Loan proceeds to us or to others for our account. We further acknowledge and understand that the knowing misrepresentation of a material fact, whether by assertion or omission, that is contained or set forth in our loan application, the Acknowledgment of Fair Market Value, this Affidavit of Compliance, or the Note, Security Instrument, or related documents signed by us in connection with the processing and closing of the Loan, and upon which the Lender has relied in its determination to make this extension of credit, may constitute actual fraud that would subject any owner, or the spouse of any owner, to recourse for personal liability to Lender to keep all the promises contained in the Note and Security Instrument, including the promise to personally pay the full amount due, in accordance with the provisions of Section 50(a)(6)(C), Article XVI, Texas Constitution.

CAUTION: THIS IS A SWORN STATEMENT. DO NOT SIGN THIS AFFIDAVIT UNLESS YOU HAVE READ IT AND, ON OATH, YOU BELIEVE IT TO BE TRUE AND ACCURATE. SIGN THIS AFFIDAVIT ONLY AFTER YOU HAVE SIGNED THE NOTE, SECURITY INSTRUMENT AND ALL OTHER LOAN DOCUMENTS.

Signature

Date

Jay Borrower

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jay Borrower.**

Notary Public

Printed Name of Notary: _____

My Commission Expires: _____

Owner's Affidavit of Compliance (1/98)

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Loan # 12345

SHORT LEGAL DESCRIPTION:

Lot 1, Block 1, Section 1, Some Addition to the city of Arlington, Tarrant County, Texas as shown by Plat recorded in Plat Cabinet No. 1, Slide No. 111, Plat Records, Tarrant County, Texas.

Property Tax Information

(This form must be typed)

TAX AUTHORITY:

TAX INFORMATION:

State and County

Name: _____
Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Tax ID/Account No.: _____

Estimated Annual Tax: _____
Monthly Escrow Amount: _____
Taxes Paid Through: _____
Amount of Taxes Last Paid: _____
Discount Date: _____
Due Dates in Sequence: _____
Penalty Date: _____

City

Name: _____
Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Tax ID/Account No.: _____

Estimated Annual Tax: _____
Monthly Escrow Amount: _____
Taxes Paid Through: _____
Amount of Taxes Last Paid: _____
Discount Date: _____
Due Dates in Sequence: _____
Penalty Date: _____

School

Name: _____
Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Tax ID/Account No.: _____

Estimated Annual Tax: _____
Monthly Escrow Amount: _____
Taxes Paid Through: _____
Amount of Taxes Last Paid: _____
Discount Date: _____
Due Dates in Sequence: _____
Penalty Date: _____

Property Tax Information

TAX AUTHORITY:

TAX INFORMATION:

Municipal Utility

Name: _____
 Address: _____
 City: _____
 State: _____
 Zip: _____
 Telephone: _____
 Tax ID/Account No.: _____

Estimated Annual Tax: _____
 Monthly Escrow Amount: _____
 Taxes Paid Through: _____
 Amount of Taxes Last Paid: _____
 Discount Date: _____
 Due Dates in Sequence: _____
 Penalty Date: _____

Other

Name: _____
 Address: _____
 City: _____
 State: _____
 Zip: _____
 Telephone: _____
 Tax ID/Account No.: _____

Estimated Annual Tax: _____
 Monthly Escrow Amount: _____
 Taxes Paid Through: _____
 Amount of Taxes Last Paid: _____
 Discount Date: _____
 Due Dates in Sequence: _____
 Penalty Date: _____

“Estimated Annual Tax” amounts specified above are based upon the improved value of the Property (and without exemption(s) if the exemption(s) will no longer apply). If the Property is new construction (or subject to exemptions that will no longer apply), please place an “E” for Estimate beside the “Estimated Annual Tax: amount. If the Property is not occupied by the Borrower(s), please furnish the correct mailing address for the Borrower(s):

Your Title Company

By: _____
 Settlement Agent

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Quality Control Release

Loan # 12345

We, the undersigned applicants, understand that our mortgage application may be selected by the Lender and/or its Assigns or Agent for a Quality Control Review. This review is designed to produce and maintain quality service for our borrowers and to comply with agency and Investor guidelines. The quality control review will involve verification of all of the credit information (including employment history, income, bank accounts, and credit references) as well as the property valuation.

We agree to cooperate with the Lender and/or its assigns or its agents to the extent necessary to accomplish this review. It is understood that the information may be verified with third parties such as our employees, depository institutions or a credit reporting agency.

We therefore have signed below authorizing the release of employment and/or financial information to assist in the Quality Control review process.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Texas Home Equity Receipt of Copies

Loan # 12345

I/We each acknowledge that Lender (or a settlement agent on behalf of Lender), at the time the above referenced loan was made, provided each owner of the Property a copy of all documents signed by the owner related to the loan including, but not limited to, the following:

- 1) Notice Concerning Extensions of Credit - at application
- 2) Acknowledgment Regarding Fair Market Value
- 3) Texas Affidavit and Agreement
- 4) Texas Home Equity Note
- 5) Texas Home Equity Security Instrument (and any attached Riders)
- 6) Notice of Right to Rescind
- 7) All other documents required by Lender.
- 8) All documents required by any settlement agent, HUD-1 or HUD-1A Settlement Disclosure, Affidavit of Debts and Liens (Copy of signed documents containing no blanks.
- 9) All documents required by any others.
- 10) Final loan application.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

HUD-I Settlement Statement Addendum

Loan # 12345

I have carefully reviewed the HUD-I or HUD-IA Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have reviewed a copy of the HUD-I or HUD-IA Settlement Statement.

Signature Date
Jay Borrower

[Sign Originals Only]

The HUD-I or HUD-IA Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.

Your Title Company

By: _____
Settlement Agent Date

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details, see: Title 18 U.S. Code Sections 1001 and 1010.

Residential Real Property Affidavit

Date: **October 15, 2012**

Name of Affiant(s): **Jay Borrower, a single person**

Description
of Property: **555 Main Avenue
Arlington, Texas 76017**

County **Tarrant, TX**

Name of
Title Company: **Your Title Company**

Before me, the undersigned notary for the State of Texas, personally appeared Affiant(s) who after by me being sworn, stated:

1. We are the owners of the Property. (Or, state other basis for knowledge by Affiant of the Property, such as lease, management, neighbor, etc. Example: Affiant is the manager of the Property for the record title owners.)
2. We are familiar with the Property and the improvements located on the Property.
3. We are closing a transaction requiring title insurance and the proposed insured owner or lender has requested area and boundary coverage in the title insurance policy(cies) to be issued in this transaction. We understand that the Company may make exceptions to the coverage of the title insurance as Company may deem appropriate. We understand that the owner of the property, if the current transaction is a sale, may request a similar amendment to the area and boundary coverage in the Owner Policy of Title Insurance upon payment of the promulgated premium.
4. To the best of our actual knowledge and belief, there have been no:
 - a. construction projects such as new structures, additional buildings, rooms, garages, swimming pools or other permanent improvements or fixtures;
 - b. changes in the location of boundary fences or boundary walls;
 - c. construction projects on immediately adjoining property(ies) which encroach on the Property
 - d. Conveyances, replattings, easement grants and/or easement dedications (such as a utility line) by any party affecting the Property.
5. We understand that Title Company is relying on the truthfulness of the statements made in this affidavit to provide the area and boundary coverage and upon the evidence of the existing real property survey of the Property attached to this Affidavit. This affidavit is not made for the benefit of any other parties and this affidavit does not constitute a warranty or guarantee of the location of improvements.

6. We understand that we have no liability to Title Company of the Title Insurance Company that will issue the policy(ies) should the information in this Affidavit be incorrect other than information that we personally know to be incorrect and which we do not disclose to the Title Company

Signature

Date

Jay Borrower

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jay Borrower.**

Notary Public

Printed Name of Notary: _____

My Commission Expires: _____

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Septic / Water / Well / Propane / Termite Inspection Waiver

Loan # 12345

At the request of the Borrower(s), it is hereby UNDERSTOOD AND AGREED by and between **Some Texas Bank** (Lender) and **Jay Borrower, a single person** (Borrowers), that the inspection(s) have hereby been waived on the above-referenced property. We do hereby indemnify and agree to hold said lender, its successors and/or assigns harmless from any and all liabilities, claims, causes of action and cost and expenses, known and unknown which may arise.

Signature

Date

Jay Borrower

[Sign Originals Only]

Lender: **Some Texas Bank**
Borrower: **Jay Borrower, a single person**
Property: **555 Main Avenue, Arlington, Texas 76017**

Collateral Protection Insurance Notice (Texas)

Loan # 12345

Pursuant to Texas law (Tex. Finance Code § 307.052), Lender is required to give the following notice at the time the credit agreement is executed.

You have entered into a credit agreement that requires you to maintain Collateral Protection Insurance for the above property. As part of this agreement, you are required to:

1. **Keep the collateral insured against damage in the amount the Lender specifies;**
2. **Purchase the insurance from an insurer that is authorized to do business in this state or an eligible surplus lines insurer;**
3. **Name Lender as the party to be paid under the policy in the event of a loss; and**
4. **If required by Lender, deliver to Lender a copy of the policy and proof of the payment of premiums.**

If you fail to meet any requirement listed above, Lender may obtain Collateral Protection Insurance on your behalf and at your expense.

ACKNOWLEDGMENT

I/We hereby acknowledge receipt of this Collateral Protection Insurance Notice and further acknowledge that I/we understand its provisions.

Signature Date
Jay Borrower

[Sign Originals Only]

**TEXAS HOME EQUITY ACKNOWLEDGMENT OF ADVANCE
COPY OF LOAN APPLICATION AND
FINAL ITEMIZATION OF FEES AND CHARGES**

Borrower(s): **Jay Borrower, a single person**

Property: **555 Main Avenue, Arlington, Texas
76017**

This loan is an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution.

I acknowledge that I am the owner, or a spouse of an owner, of the property commonly known as: **555 Main Avenue, Arlington, Texas 76017** (“Homestead Property”).

I acknowledge that I have received, at least one business day prior to the closing of the loan, a copy of my loan application if not previously provided and a final itemized disclosure of the actual fees, points, interest, costs, and charges that will be charged at closing. I further acknowledge that the copy of my loan application I have received may be, but is not necessarily, the “final loan application” that I will receive at closing pursuant to Section 50(a)(6)(Q)(v), Article XVI of the Texas Constitution.

I acknowledge that Lender is relying on this statement.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THE EXTENSION OF CREDIT MUST BE CLOSED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW, OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

CAUTION: THIS IS A SWORN STATEMENT. DO NOT SIGN THIS AFFIDAVIT UNLESS YOU HAVE READ IT AND, ON OATH, YOU BELIEVE IT TO BE TRUE AND CORRECT. IF THE FEES AND CHARGES DISCLOSED TO YOU AT CLOSING TODAY DIFFER IN ANY WAY FROM THE FEES AND CHARGES EARLIER DISCLOSED TO YOU BEFORE THE DATE OF CLOSING, YOU MUST NOT SIGN THIS AFFIDAVIT AND YOU SHOULD ADVISE THE SETTLEMENT AGENT THAT YOU CANNOT SIGN IT.

Signature
Jay Borrower

Date

[Sign Originals Only]

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by
Jay Borrower.

Notary Public
Printed Name: _____
My commission expires: _____

Settlement Agent:

Please complete Social Security Number(s) in LINES 1b, 2b (if applicable) and Previous Address in Line 4 (if applicable and not present) for all 4506-T to follow.

Thank you.

Request for Transcript of Tax Return

Department of the Treasury
Internal Revenue Service

• **Request may be rejected if the form is incomplete or illegible.**

TIP: Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Transcript" or call 1-800-908-9946. If you need a copy of your return, use **Form 4506, Request for Copy of Tax Return**. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first. Jay Borrower	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return	2b Second social security number or individual taxpayer identification number if joint tax return

3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (See instructions)
Jay Borrower - 555 Main Avenue, Arlington, TX 76017

4 Previous address shown on the last return filed if different from line 3 (See instructions)

5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.
Some Texas Bank Its Successors and/or Assigns, 2310 W Interstate 20, 100, Arlington, TX 76017

Caution: If the tax transcript is being mailed to a third party, ensure that you have filled in lines 6 through line 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your IRS transcript to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your transcript information, you can specify this limitation in your written agreement with the third party.

6 Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. •

- a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days
- b Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days
- c Record of Account**, which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days
- 7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days
- 8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2010, filed in 2011, will not be available from the IRS until 2012. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days

Caution: If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

9 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

Check this box if you have notified the IRS or the IRS has notified you that one of the years for which you are requesting a transcript involved **identify theft** on your federal tax return

Caution. Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note.** For transcripts being sent to a third party, this form must be received within 120 days of signature date.

	Telephone number of taxpayer on line 1a or 2a ()
Signature (see instructions)	Date
Title (if line 1a above is a corporation, partnership, estate, or trust)	
Spouse's signature	Date

Sign Here

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

The IRS has created a page on www.irs.gov/form4506 at www.irs.gov/form4506. Information about any recent developments affecting Form 4506-T (such as legislation enacted after we released it) will be posted on that page.

General Instructions

CAUTION: Do not sign this form unless all applicable lines have been completed.

Purpose of form. Use Form 4506-T to request tax return information. You can also designate (on line 5) a third party to receive the information. Taxpayers using a tax year beginning in one calendar year and ending with the following year (fiscal tax year) must file Form 4506-T to request a return transcript.

Note. If you are unsure of which type of transcript you need, request the Record of Account, as it provides the most detailed information.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different addresses, send your request to the address based on the address of your most recent return.

Automated transcript request: You can quickly request transcripts by using our automated self-help-service tools. Please visit us at IRS.gov and click on "Order a Transcript" or call 1-800-908-9946.

Chart for individual transcripts (Form 1040 series and Form W-2 and Form 1099)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSC Austin, TX 73301 512-460-2272
Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888 559-456-5876
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South	RAIVS Team Stop 6705 P-6 Kansas City, MO 64999 816-292-6102

Carolina, Vermont, Virginia, West Virginia

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country or A.P.O. or F.P.O. address	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 801-620-6922
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250 859-669-3592

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) or your individual taxpayer identification number (ITIN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 3. Enter your current address. If you use a P.O. box, include it on this line.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note. If the address on Lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines are completed before signing.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3)

any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to:

Internal Revenue Service
Tax Products Coordinating Committee
SE:W:CAR:MP:T:T:SP
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Do not send the form to this address. Instead, see *Where to file* on this page.

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 37667N
Form 4506-T (Rev. 1-2012)

Settlement Agent:

Please complete Social Security Number(s) on each W-9 attached.

Thank you.

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) Jay Borrower	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input checked="" type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.) 555 Main Avenue	Requester's name and address (optional)
City, state, and ZIP code Arlington, TX 76017		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

Disregarded entity. Enter the owner's name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the “Name” line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

SERVICING DISCLOSURE STATEMENT

Loan # 12345

Date: 10/15/2012

Applicant(s): Jay Borrower

Lender: Some Texas Bank

2310 W Interstate 20, 100

Arlington, TX 76017

Property: 555 Main Avenue, Arlington, TX 76017

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED.

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. Section 2601 et seq.) RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

SERVICING TRANSFER INFORMATION

The following is the best estimate of what will happen to the servicing of your mortgage loan:

- A. We may assign, sell or transfer the servicing of your loan while the loan is outstanding.
- OR**
- B. We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.
- OR**
- C. The loan for which you have applied will be serviced at this financial institution and we do not intend to sell, transfer, or assign the servicing of the loan.

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge receipt of this Servicing Disclosure Statement and further acknowledge that I understand its provisions. Words used in this Servicing Disclosure Statement mean and include the plural and vice versa.

Signature

Date

Jay Borrower

**LAST PAGE
OF THE PACKAGE**