

LOAN PURPOSE STATEMENT

For Reg. Z Analysis

NOTE: This form is used by a loan broker when arranging a nontraditional consumer mortgage secured by one-to-four unit residential property, to disclose to the borrower that the mortgage offered allows the borrower to defer principal and interest payments.

DATE: _____, 20_____, at _____, California.
Items left blank or unchecked are not applicable.

TO: _____

FACTS:

1. This advisory statement is prepared by _____, as the Borrower,
 - 1.1 as part of a loan application, or request for loan assumption, dated _____, 20_____,
 - 1.2 submitted to _____,
 - 1.3 regarding a loan secured or to be secured by property located at _____

- a. containing: one residential unit, two residential units, three or four residential units, or other improvements _____,
- b. to be used as: principal residence of loan applicant, principal residence of loan applicant with rental unit(s), second or vacation home, business, investment only or agricultural, or
 _____.

AGREEMENT:

Applicant is to check the applicable box indicating the use to which they will put the funds from this loan.

2. On an application for a purchase-assist loan:
 - 2.1 The loan will fund Borrower's purchase of the above referenced property for the use indicated above.
3. On an application for the assumption of a loan:
 - 3.1 The loan being assumed represents part of the price being paid by Borrower to acquire the above referenced property for the use indicated above.
 - 3.2 The applicant assuming the loan has previously acquired title to and possession of the property subject to this loan, or previously entered into possession of the property under a land sales contract or lease-option sale agreement with Seller. [See **RPI** Form 168 and 163]
4. On an application for an equity loan to further encumber the above referenced property:
 - 4.1 The loan will fund Owner's purchase of property or services to be acquired or used for personal, family, or household purposes.
 - 4.2 The loan will fund Owner's purchase of property or payment of services for Owner's business, investment or agricultural purposes.
 - 4.3 The loan will be used primarily to fund the maintenance or repair of the above referenced property.
 - 4.4 The proceeds from the loan will be deposited into Owner's personal account.
 - 4.5 The proceeds from the loan will be deposited into Owner's business, investment, or farming account.
5. On an application for a loan to fund (refinance) the payoff of an existing loan on the above referenced property:
 - 5.1 The loan being paid off was taken out or assumed by Owner to originally fund:
 - a. a personal, family, or household use; or
 - b. a business, investment, or agricultural operation.

The above stated information is true and correct.

Date: _____, 20_____
Applicant: _____

Signature: _____
Applicant: _____

Signature: _____