



# LENDER/PURCHASER DISCLOSURE STATEMENT

(SALE OF EXISTING NOTE) (DRE 851B)

Prepared by: Agent \_\_\_\_\_  
Broker \_\_\_\_\_

Phone \_\_\_\_\_  
Email \_\_\_\_\_

## DISCLOSURE STATEMENT SUMMARY

Note: If this is a multi-lender transaction and more than one property secures the loan, you should also refer to attached Lender/Purchaser Disclosure Statement Multi-Property (Cross Collateralization) Addendum (RE 851D).

BALANCE OF NOTE YOU ARE RECEIVING (SEE PART 3) \$	MARKET VALUE OF PROPERTY (SEE PART 8) \$	TOTAL AMOUNT OF ENCUMBRANCES SENIOR TO THIS LOAN (SEE PART 9) \$
PROTECTIVE EQUITY (MARKET VALUE MINUS THIS LOAN AND TOTAL SENIOR ENCUMBRANCES) \$	TOTAL LOAN TO VALUE (SEE PART 10E) %	

## PART 1 BROKER INFORMATION

NAME OF BROKER	REAL ESTATE LICENSE ID#
BUSINESS ADDRESS	TELEPHONE NUMBER
NAME OF BROKERS REPRESENTATIVE	

## PART 2 BROKER CAPACITY IN TRANSACTION

THE BROKER IDENTIFIED IN PART 1 OF THIS STATEMENT IS ACTING IN THE FOLLOWING CAPACITY IN THIS TRANSACTION: (CHECK AS APPLIES)

- A. Agent in arranging a sale of an existing note on behalf of another.
- B. Principal as owner and seller of an existing note.
- C. Agent and/or principal arranging the sale of a portion of an existing note. (Multi-lender transactions are subject to Business and Professions Code Section 10238.)

## PART 3 TRANSACTION INFORMATION

(CHECK IF APPLICABLE)

THERE IS MORE THAN ONE PROPERTY SECURING THE LOAN. IF MULTI-LENDER LOAN, YOU SHOULD ALSO REFER TO ATTACHED RE 851D.

SOURCE OF INFORMATION ABOUT THIS EXISTING NOTE:

- BROKER INQUIRY
- BORROWER
- SELLER OF NOTE
- OTHER (DESCRIBE)

NAME OF EXISTING NOTE OWNER

ORIGINAL PRINCIPAL \$	SELLING PRICE \$	YOUR SHARE IF MULTI-LENDER TRANS. \$	DATE OF NOTE
PRIORITY OF THIS NOTE (1st, 2ndf )	MATURITY DATE	DATE INTEREST PAID TO	
INTEREST RATE % <input type="checkbox"/> VARIABLE <input type="checkbox"/> FIXED	PERCENT OF PREMIUM OVER OR DISCOUNT FROM THE PRINCIPAL BALANCE PLUS ACCRUED BUT UNPAID INTEREST.	%	EFF. RATE OF RETURN [If note is paid according to its term (multi-lender transactions only).] %
PAYMENT DUE DATE	AMOUNT OF PAYMENT \$	YOUR SHARE OF PYMT. IF MULTI-LENDER TRANSACTION \$	PAYMENT FREQUENCY <input type="checkbox"/> MONTHLY <input type="checkbox"/> <input type="checkbox"/> WEEKLY
BALLOON PAYMENT <input type="checkbox"/> YES <input type="checkbox"/> NO	AMOUNT OF BALLOON PAYMENT \$	YOUR SHARE OF BALLOON PAYMENT IF MULTI-LENDER TRANSACTION \$	<b>AN ASSIGNMENT OF THE TRUST DEED WILL BE RECORDED</b>
UNPAID PRINCIPAL BALANCE \$	YOUR SHARE OF UNPAID PRINCIPAL BALANCE IF MULTI-LENDER TRANSACTION \$	(CHECK ONE) <input type="checkbox"/> AMORTIZED <input type="checkbox"/> PARTIALLY AMORTIZED	<input type="checkbox"/> INTEREST ONLY

### Balloon Payment

A balloon payment is any installment payment (usually the payment due at maturity) which is greater than twice the amount of the smallest installment payment under the terms of the promissory note or sales contract.

The borrower/vendee may have to obtain a new loan or sell the property to make the balloon payment. If the effort is not successful it may be necessary for the holder of the note/contract to foreclose on the property as a means of collecting the amount owed.

**PART 5 SERVICING ARRANGEMENTS**

If the loan is to be serviced by a real estate broker you must be notified within ten (10) days if the broker makes any advances on senior encumbrances to protect the security of your note. Depending on the terms and conditions of the servicing contract, you may be obligated to repay any such advances made by the broker. The broker may not guarantee or imply to guarantee, or advance any payments to you unless a securities permit is obtained from the Department of Corporations.

CHECK APPROPRIATE STATEMENTS

- THERE ARE NO SERVICING ARRANGEMENTS *(Does not apply to multi-lender transactions.)*       BROKER IS THE SERVICING AGENT  
 ANOTHER QUALIFIED PARTY WILL SERVICE THE LOAN       COPY OF THE SERVICING CONTRACT IS ATTACHED

IF BROKER IS NOT SERVICING AGENT, WHAT IS THE RELATIONSHIP BETWEEN THE BROKER AND SERVICER?	COST TO LENDER FOR SERVICING ARRANGEMENTS <i>(EXPRESS AS DOLLAR AMOUNT OR PERCENTAGE)</i> PER <input type="checkbox"/> MONTH <input type="checkbox"/> MONTHLY <input type="checkbox"/> YEAR                      PAYABLE <input type="checkbox"/> ANNUALLY <input type="checkbox"/>
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NAME OF AUTHORIZED SERVICER, IF ANY

BUSINESS ADDRESS	TELEPHONE NUMBER
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**PART 6 TRUSTOR/OBLIGOR INFORMATION *(as known to broker)***

If the broker made, arranged, or serviced the loan or if any of the information is known to the broker or is available from the seller of the note, complete this part.

SOURCE OF INFORMATION

- TRUSTOR       SELLER OF NOTE       BROKER (BROKER MADE, ARRANGED OR SERVICED THE LOAN)  
 CREDIT REPORT       OTHER (DESCRIBE)

NAME	CO-TRUSTOR'S NAME
RESIDENCE ADDRESS	CO-TRUSTOR'S RESIDENCE ADDRESS
OCCUPATION OR PROFESSION	CO-TRUSTOR'S OCCUPATION OR PROFESSION
CURRENT EMPLOYER	CO-TRUSTOR'S CURRENT EMPLOYER

HOW LONG EMPLOYED?	AGE	HOW LONG EMPLOYED?	CO-TRUSTOR'S AGE
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SOURCES OF GROSS INCOME <i>(LIST AND IDENTIFY EACH SOURCE SEPARATELY.)</i>	MONTHLY AMOUNT	CO-TRUSTOR SOURCES OF GROSS INCOME <i>(LIST AND IDENTIFY EACH SOURCE SEPARATELY.)</i>	MONTHLY AMOUNT
Gross salary	\$	Gross salary	\$
<i>OTHER INCOME INCLUDING:</i> Interest	\$	<i>OTHER INCOME INCLUDING:</i> Interest	\$
Dividends	\$	Dividends	\$
Gross rental income	\$	Gross rental income	\$
Miscellaneous income	\$	Miscellaneous income	\$

**TOTAL EXPENSES OF ALL TRUSTORS *(DO NOT COMPLETE IF TRUSTOR IS A CORPORATION)***

Payment of loan being obtained	\$	Spousal/child support	\$
Rent	\$	Insurance	\$
Charge account/credit cards	\$	Vehicle loan(s)	\$
Mortgage payments <i>(include taxes and property insurance)</i>	\$	Other <i>(federal &amp; state income taxes, etc.)</i>	\$

TOTAL GROSS MONTHLY INCOME OF TRUSTOR(S)

TOTAL MONTHLY EXPENSES OF TRUSTOR(S)

**PART 5 SERVICING ARRANGEMENTS**

If the loan is to be serviced by a real estate broker you must be notified within ten (10) days if the broker makes any advances on senior encumbrances to protect the security of your note. Depending on the terms and conditions of the servicing contract, you may be obligated to repay any such advances made by the broker. The broker may not guarantee or imply to guarantee, or advance any payments to you unless a securities permit is obtained from the Department of Corporations.

CHECK APPROPRIATE STATEMENTS

- THERE ARE NO SERVICING ARRANGEMENTS *(Does not apply to multi-lender transactions.)*       BROKER IS THE SERVICING AGENT  
 ANOTHER QUALIFIED PARTY WILL SERVICE THE LOAN       COPY OF THE SERVICING CONTRACT IS ATTACHED

IF BROKER IS NOT SERVICING AGENT, WHAT IS THE RELATIONSHIP BETWEEN THE BROKER AND SERVICER?

COST TO LENDER FOR SERVICING ARRANGEMENTS *(EXPRESS AS DOLLAR AMOUNT OR PERCENTAGE)*

- PER  MONTH       MONTHLY  
 YEAR       ANNUALLY

NAME OF AUTHORIZED SERVICER, IF ANY

BUSINESS ADDRESS

TELEPHONE NUMBER

**PART 6 TRUSTOR/OBLIGOR INFORMATION *(as known to broker)***

If the broker made, arranged, or serviced the loan or if any of the information is known to the broker or is available from the seller of the note, complete this part.

SOURCE OF INFORMATION

- TRUSTOR       SELLER OF NOTE       BROKER (BROKER MADE, ARRANGED OR SERVICED THE LOAN)  
 CREDIT REPORT       OTHER (DESCRIBE)

NAME		CO-TRUSTOR'S NAME	
RESIDENCE ADDRESS		CO-TRUSTOR'S RESIDENCE ADDRESS	
OCCUPATION OR PROFESSION		CO-TRUSTOR'S OCCUPATION OR PROFESSION	
CURRENT EMPLOYER		CO-TRUSTOR'S CURRENT EMPLOYER	
HOW LONG EMPLOYED?	AGE	HOW LONG EMPLOYED?	CO-TRUSTOR'S AGE

SOURCES OF GROSS INCOME <i>(LIST AND IDENTIFY EACH SOURCE SEPARATELY.)</i>	MONTHLY AMOUNT	CO-TRUSTOR SOURCES OF GROSS INCOME <i>(LIST AND IDENTIFY EACH SOURCE SEPARATELY.)</i>	MONTHLY AMOUNT
Gross salary	\$	Gross salary	\$
<i>OTHER INCOME INCLUDING:</i> Interest	\$	<i>OTHER INCOME INCLUDING:</i> Interest	\$
Dividends	\$	Dividends	\$
Gross rental income	\$	Gross rental income	\$
Miscellaneous income	\$	Miscellaneous income	\$

**TOTAL EXPENSES OF ALL TRUSTORS *(DO NOT COMPLETE IF TRUSTOR IS A CORPORATION)***

Payment of loan being obtained	\$	Spousal/child support	\$
Rent	\$	Insurance	\$
Charge account/credit cards	\$	Vehicle loan(s)	\$
Mortgage payments <i>(include taxes and property insurance)</i>	\$	Other <i>(federal &amp; state income taxes, etc.)</i>	\$
TOTAL GROSS MONTHLY INCOME OF TRUSTOR(S) \$		TOTAL MONTHLY EXPENSES OF TRUSTOR(S) \$	

**PART 8 APPRAISAL INFORMATION**

Estimate of fair market value is to be determined by an independent appraisal, a copy of which must be provided to you prior to you obligating funds to make the loan. Note: You may waive the requirement of an independent appraisal, in writing, on a case by case basis, in which case the broker must provide a written estimate of fair market value. The broker must provide you, the investor, with the objective data upon which the broker's estimate is based. **In the case of a construction or rehabilitation loan, an appraisal must be completed by an independent, qualified appraiser in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).**

(CHECK IF APPLICABLE)  
 THERE IS MORE THAN ONE PROPERTY SECURING THE LOAN. IF MULTI-LENDER LOAN, YOU SHOULD ALSO REFER TO ATTACHED RE 851D.

FAIR MARKET VALUE (ACCORDING TO APPRAISER) \$	DATE OF APPRAISAL
NAME OF APPRAISER (IF KNOWN TO BROKER)	PAST AND/OR CURRENT RELATIONSHIP OF APPRAISER TO BROKER (EMPLOYEE, AGENT, INDEPENDENT CONTRACTOR, ETC.)
ADDRESS OF APPRAISER	

DESCRIPTION OF PROPERTY/IMPROVEMENT	IS THERE ADDITIONAL SECURING PROPERTY? <input type="checkbox"/> YES IF YES, SEE ADDENDUM. <input type="checkbox"/> NO
AGE	SQUARE FEET
TYPE OF CONSTRUCTION	

IF THE PROPERTY IS CURRENTLY GENERATING INCOME FOR THE BORROWER/OBLIGOR:

ESTIMATED GROSS ANNUAL INCOME \$	ESTIMATED NET ANNUAL INCOME \$
OTHER INFORMATION KNOWN TO BROKER	

**PART 9 ENCUMBRANCE INFORMATION**

Information is being provided concerning senior encumbrances against the property, to the extent reasonably available from customary sources (excluding the note described on page 1 Part 3). **Note:** You have the option to purchase a policy of title insurance or an endorsement to an existing policy of title insurance to insure your interest. You are entitled to a copy of a written loan application and a credit report to obtain information concerning all encumbrances which constitute liens against the property. This information may help determine the financial standing and creditworthiness of the borrower.

(CHECK IF APPLICABLE)  
 THERE IS MORE THAN ONE PROPERTY SECURING THE LOAN. IF MULTI-LENDER LOAN, YOU SHOULD ALSO REFER TO ATTACHED RE 851D.

SOURCE OF INFORMATION  
 TRUSTOR       BROKER INQUIRY       EXISTING BENEFICIARY      OTHER (EXPLAIN)

**SENIOR ENCUMBRANCE(S) REMAINING**

PRIORITY (1ST, 2ND, ETC.)	INTEREST RATE	PRIORITY (1ST, 2ND, ETC.)	INTEREST RATE
	%		%
BENEFICIARY		BENEFICIARY	
ORIGINAL AMOUNT \$	APPROXIMATE PRINCIPAL BALANCE \$	ORIGINAL AMOUNT \$	APPROXIMATE PRINCIPAL BALANCE
MONTHLY PAYMENT \$	MATURITY DATE	MONTHLY PAYMENT \$	MATURITY DATE
BALLOON PAYMENT <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	IF YES, AMOUNT \$	BALLOON PAYMENT <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	IF YES, AMOUNT \$

Are there additional remaining senior encumbrances? .....  YES    NO  
 If YES, they are set forth in an attachment to this statement.

Has the seller received notice of default on any senior encumbrances in the last 12 months? .  YES    NO  
 If YES, has default been cured? .....  YES    NO

Is the broker aware of any junior encumbrances? .....  YES    NO  
 If YES, they are set forth in an attachment to this statement. ....  YES    NO

**PART 8 APPRAISAL INFORMATION**

Estimate of fair market value is to be determined by an independent appraisal, a copy of which must be provided to you prior to you obligating funds to make the loan. Note: You may waive the requirement of an independent appraisal, in writing, on a case by case basis, in which case the broker must provide a written estimate of fair market value. The broker must provide you, the investor, with the objective data upon which the broker's estimate is based. **In the case of a construction or rehabilitation loan, an appraisal must be completed by an independent, qualified appraiser in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).**

(CHECK IF APPLICABLE)

THERE IS MORE THAN ONE PROPERTY SECURING THE LOAN. IF MULTI-LENDER LOAN, YOU SHOULD ALSO REFER TO ATTACHED RE 851D.

FAIR MARKET VALUE (ACCORDING TO APPRAISER) \$	DATE OF APPRAISAL
NAME OF APPRAISER (IF KNOWN TO BROKER)	PAST AND/OR CURRENT RELATIONSHIP OF APPRAISER TO BROKER (EMPLOYEE, AGENT, INDEPENDENT CONTRACTOR, ETC.)

ADDRESS OF APPRAISER

DESCRIPTION OF PROPERTY/IMPROVEMENT	IS THERE ADDITIONAL SECURING PROPERTY? <input type="checkbox"/> YES IF YES, SEE ADDENDUM. <input type="checkbox"/> NO
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AGE	SQUARE FEET	TYPE OF CONSTRUCTION
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IF THE PROPERTY IS CURRENTLY GENERATING INCOME FOR THE BORROWER/OBLIGOR:

ESTIMATED GROSS ANNUAL INCOME \$	ESTIMATED NET ANNUAL INCOME \$
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OTHER INFORMATION KNOWN TO BROKER

**PART 9 ENCUMBRANCE INFORMATION**

Information is being provided concerning senior encumbrances against the property, to the extent reasonably available from customary sources (excluding the note described on page 1 Part 3). **Note:** You have the option to purchase a policy of title insurance or an endorsement to an existing policy of title insurance to insure your interest. You are entitled to a copy of a written loan application and a credit report to obtain information concerning all encumbrances which constitute liens against the property. This information may help determine the financial standing and creditworthiness of the borrower.

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SOURCE OF INFORMATION

TRUSTOR       BROKER INQUIRY       EXISTING BENEFICIARY      OTHER (EXPLAIN)

**SENIOR ENCUMBRANCE(S) REMAINING**

PRIORITY (1ST, 2ND, ETC.)	INTEREST RATE %	PRIORITY (1ST, 2ND, ETC.)	INTEREST RATE %
BENEFICIARY		BENEFICIARY	
ORIGINAL AMOUNT \$	APPROXIMATE PRINCIPAL BALANCE \$	ORIGINAL AMOUNT \$	APPROXIMATE PRINCIPAL BALANCE
MONTHLY PAYMENT \$	MATURITY DATE	MONTHLY PAYMENT \$	MATURITY DATE
BALLOON PAYMENT <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN		BALLOON PAYMENT <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	
IF YES, AMOUNT \$		IF YES, AMOUNT \$	

Are there additional remaining senior encumbrances? .....  YES    NO  
 If YES, they are set forth in an attachment to this statement.

Has the seller received notice of default on any senior encumbrances in the last 12 months? .  YES    NO  
 If YES, has default been cured? .....  YES    NO

Is the broker aware of any junior encumbrances? .....  YES    NO  
 If YES, they are set forth in an attachment to this statement. ....  YES    NO

**PART 10**

**LOAN TO VALUE RATIO**

(CHECK IF APPLICABLE)

THERE IS MORE THAN ONE PROPERTY SECURING THE LOAN. IF MULTI-LENDER LOAN, YOU SHOULD ALSO REFER TO ATTACHED RE 851D.

- A. Remaining encumbrances senior to this loan (from part 9)..... \$ \_\_\_\_\_
- B. Unpaid principal balance of this loan from page 1 part 3 ..... + \$ \_\_\_\_\_
- C. Total all senior encumbrances and this loan ..... = \$ \_\_\_\_\_
- D. Fair market value from page 4 part 8 ..... ÷ \$ \_\_\_\_\_
- E. Loan to value ratio ..... = \_\_\_\_\_ %

Note: See Part 4 if multi-lender transaction.

**BROKER VERIFICATION**

*The information in this statement and in the attachments hereto is true and correct to the best of my knowledge and belief.*

SIGNATURE OF BROKER OR DESIGNATED REPRESENTATIVE	BROKER/CORPORATION ID#	DATE
➤		

**ACKNOWLEDGMENT OF RECEIPT**

*The prospective lender/purchaser acknowledges receipt of a copy of this statement signed by or on behalf of the broker.*

SIGNATURE OF PROSPECTIVE LENDER/PURCHASER	DATE
➤	

**For licensing information, please refer to the Department of Real Estate's Web site located at [www.dre.ca.gov](http://www.dre.ca.gov).**

*or*

**You may call the DRE licensing information telephone number at 877-373-4542**