

Loan
Escrow
Instructions

Original
PAYOFF STATEMENT

January 08, 20XX

To:
Fred Dyer
Fax (858) TITLE-CO
Pacific Ocean Title Company, Inc.

Loan Number: BBOO77777GW
Loan Type: Conventional

RE: Property Address/Mortgage Mailing
5717 Foster Ave
Any City, CA 95555

Juan Ivan Gonzales Trustee
Sandra Anna Gonzales Trustee
5643 P.O. BOX
Any City, CA 95555

These figures are interest to January 31, 20XX. This loan is due for the February 01, 1999 payment.

| | |
|---|--------------|
| Current total unpaid Principal Balance | \$152,272.17 |
| Interest at 8.5% | 1,063.82 |
| Recording Fee | 9.00 |
| Reconveyance Fees | 65.00 |
| ****TOTAL AMOUNT TO PAY LOAN IN FULL **** | 153,409.99 |

ADDITION AND/OR AMENDMENT TO ESCROW INSTRUCTIONS

To: Pacific Ocean Title Company, Inc.
Date: January 28, 20XX
Escrow No: 7-77777
Property Address: 5717 Foster Ave, Any City, CA 95555

The instructions in this escrow are hereby modified, amended and/or supplemented in the following particulars only:

1. **LENDER RATE AND TERMS:** Deed of trust to be recorded which secured a note in the amount of \$155,000.00, as per its terms in favor of Washington Mutual, with interest at 7.5% being a Fixed Rate loan, all due and payable on February 1, 20XX. Borrower's signature's on the loan documents shall constitute their approval of the terms and conditions contained therein.

All other terms and conditions remain the same.

By: _____
Juan Ivan Gonzales, Trustee

By: _____
Sandra Anna Gonzales, Trustee

LOAN ESCROW INSTRUCTIONS

Date: January 6, 2xxx
Escrow NO: 77777-DG
Escrow Officer: Donna Grogan

Borrower will execute and deliver a new First conventional
Deed of Trust in the amount of \$155,000.00

AND, will deliver to you any instruments which this escrow requires shall be executed by me, all of which you are instructed to use, provided that on or before January 28, 2xxx you hold an ALTA Loan Policy (10-17-92) w/Form 1 Cov. Coverage form Policy of Title Insurance from Pacific Ocean Title Insurance Company with the usual title company’s exceptions with a liability of \$270,000, covering the following described property located in the City of Southern City, County of West Coast, State of California:

SEE EXHIBIT ONE ATTACHED HERETO AND MADE A PART HEREOF

BORROWER STATES THAT THE SUBJECT PROPERTY ADDRESS IS:
5717 Foster Avenue, Any City, California 95555

SHOWING TITLE VESTED IN:
Juan Ivan Gonzales and Sandra Anna Gonzales, Trustees and Subsequent Trustees of the Gonzales Family trust dated May 17, 1990

FREE FROM ENCUMBRANCES EXCEPT:

1. Current general and special taxes for the fiscal year in which this escrow closes, and taxes for the ensuing year, if any, a lien not yet due and payable;
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;
3. Bonds and Assessments with no delinquent payments, if any;
4. Covenants, conditions restrictions, reservations, easements and rights of way now of record, if any;
5. A First Deed of Trust, to record, securing a note in the amount of \$155,000.00 in favor of Washington Mutual Bank.

CONSUMMATION of this escrow is CONTINGENT UPON THE FOLLOWING:

1. NEW LOAN: Borrower obtaining and property qualifying for a new conventional First trust deed loan securing a note in the amount of \$155,000.00 in favor of Washington Mutual Bank. Said loan to be at the best prevailing rate and terms.

Borrower’s signature on lender’s documents shall be deemed their approval and acceptance of the terms and conditions of said new loan and Escrow Holder’s authorization to comply with lender’s requirements.

GENERAL INSTRUCTION:

1. Borrower agrees to provide new hazard insurance policy acceptable to lender and to authorize payment of premium through escrow unless a paid receipt is provided to escrow.

2. Borrower agrees to pay all costs and charges in connection with this escrow including but not limited to escrow fee, ALTA Lenders Policy of Title Insurance, recording fees and all charges as stated in lenders instructions to escrow, all encumbrances necessary to place title in condition called for herein, including but not limited to prepayment penalties, to show title as herein provided, without further approval and Escrow Holder is instructed to debit borrower's account and pay same at close of escrow.

Initials: _____

3. The undersigned hereby authorize and instruct Escrow Holder to charge each party to the escrow for their respective Federal Express, special mail handling/courier and/or incoming/outgoing wire transfer fees. Unless specified in writing by the undersigned, escrow Holder is authorized to select special mail/delivery or courier service to be used.

Wire services required by the parties herein or by their individual lenders will be charged at twenty dollars (\$20.00) per wire, incoming and outgoing.

4. Borrower is aware that interest on the existing loan(s) does not stop accruing at close of escrow, but continues until the actual day of receipt of the payoff by Lender.

Borrower is aware that interest will accrue through weekends or holidays.

Borrower is aware he/she/they are responsible for payment of all of such interest and will indemnify and hold Escrow Holder harmless in connection with the payment of such interest.

The Undersigned hereby instruct and authorize Escrow Holder to disburse proceeds as follows:

TRANSFER All Net Proceeds, or \$ _____ to

ATTN: _____

ESCROW NO: _____

HOLD check for PICK UP

CALL when check is ready for PICK UP, PHONE NUMBER _____

WIRE funds to (Bank Name) _____

Address _____

Routing No. _____

Account No. _____

MAIL FEDERAL EXPRESS check to _____

Initials _____

GENERAL PROVISIONS

GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub-escrow account prior to disbursement of any funds. Only cash or wire transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transfer. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account or accounts of American Title Company, with any state or national bank, and may be transferred to any other such general escrow account or accounts.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of American Title Company. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

If for any reason funds are retained or remain in escrow following the close of escrow, you are to deduct therefrom a reasonable monthly charge as custodian thereof of not less than \$10.00 per month.

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due American Title Company, including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefor to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein.

General Provisions (Cont.)

fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors In Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

18. ENVIRONMENTAL ISSUES

American Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. American Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. CLARIFICATION OF DUTIES

American Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commences only upon receipt of copies of these Escrow Instructions executed by all parties.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

AMERICAN TITLE COMPANY CONDUCTS ESCROW BUSINESS UNDER LICENSE IDENTIFICATION NO. 371 ISSUED BY THE CALIFORNIA DEPARTMENT OF INSURANCE.

Hard Money Lender, Inc.

APRIL 29, 20XX

**JUAN IVAN GONZALES
5643 P.O. BOX
Any City, CA 95555**

Loan Number: BB0077777GW

BROKER:CITY MORTGAGE

Enclosed are your copies of the documents detailed below. These are important documents.

1. Federal Regulation Z: Truth-In-Lending Disclosure
2. Federal Regulation X: Real Estate Settlement Act Estimates
3. Federal Regulation B: Disclosure Regarding Settlement Service Provider
4. RESPA Servicing Disclosure Statement
5. California Insurance Notice
6. Notice of Right to Copy of Appraisal Report
7. Important Notice to Homebuyer

Thank you for your prompt attention to this form.

HARD MONEY LENDER, INC., A CALIFORNIA CORPORATION

NANCY MAY

FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT

Creditor: HARD MONEY LENDER, INC., A CALIFORNIA CORPORATION
 100 SOUTH FIRST STREET SUITE 206
 BURBANK, CA 90502

Loan Number: BB007777GW
 Date: APRIL 29, 20XX

Borrower(s) Name(s): JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Borrower(s) Address: 5717 FOSTER AVE, ANY CITY, CA 95555

| ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate | FINANCE CHARGE The dollar amount the credit will cost you. | Amount Financed The amount of credit provided to you or on your behalf. | Total of Payments The amount you will have paid after you have all payments as scheduled. |
|---|--|---|---|
| 5.705 E% | \$119,248.98 | \$242,539.10 E | \$362,392.25 E |

Payments: Your payment schedule will be:

| Monthly Payments | | | Monthly Payments | | | Monthly Payments | | |
|------------------|----------|-----------|------------------|--------|-----------|------------------|--------|-----------|
| No. | Amount | Beginning | No. | Amount | Beginning | No. | Amount | Beginning |
| 179 | 2,013.30 | 07/01/XX | | | | | | |
| 1 | 2,011.55 | 06/01/XX | | | | | | |

NOTE: Payments shown above **do not** include reserve deposits for taxes, assessments, and property or flood insurance.

Demand Feature: This obligation has a demand feature.

Variable RAE Feature: Your loan contains a variable rate feature. Disclosure about the variable-rate feature have been provided to you earlier.

Insurance: Credit life and credit disability insurance are not required to obtain credit. The following insurance may be required to obtain credit:

Property Insurance Flood Insurance You may obtain the insurance from anyone you want that is acceptable to creditor.

SECURITY: You are giving a security interest in The goods or property being purchased Real Property you already own.

FILLING FEES: \$

LATE CHARGE: If payment is more than 15 days late, you will be charged 5.00% of payment

PREPAYMENT: If you pay off early, you

may may not have to pay a penalty

may may not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

may may, subject to conditions may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the schedule date and prepayment refunds and penalties.

E means an estimated all dates and numerical disclosures except the late payment disclosure are estimates.

The undersigned acknowledge receiving and reading a completed copy of this disclosure.

Neither you nor the creditor previously has become obligated to make or accept this loan, nor is any such obligation made or accepted by the delivery or signing of this disclosure.

 JUAN IVAN GONZALES Date

 SANDRA ANNA GONZALES Date

FREQUENTLY ASKED TRUTH-IN-LENDING QUESTIONS

| | | | |
|---|--|---|--|
| <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | | | |
| Annual Percentage Rate The cost of your credit at a yearly rate. | Finance Charge The dollar amount the credit will cost you. | Amount Financed The amount of credit provided to you or on your behalf. | Total of payments The amount you will have paid after you have made all payments as scheduled. |
| A | B | C | D |

Q: What is the Truth-In-Lending Disclosure and why must the borrower receive it?

A: The Disclosure is designed to give the borrower information about the costs of their loan so that they may compare the costs with other loan programs by various lenders.

Q: What is the ANNUAL PERCENTAGE RATE? (Box “A” above.)

A: The Annual Percentage Rate (APR) is the cost of the credit expressed as an *annual* rate. The borrower may be paying loan discount points and other prepaid finance charges at closing. The APR disclosed is often higher than the stated interest rate on the loan. This APR disclosure can be compared to the APR on other loans to give a consistent means of comparing rates between and among lenders for various programs.

Q: Why is the APR different from the interest rate that the borrower was quoted?

A: The APR is computed from the amount financed. It is based upon what the proposed payments will be on the actual loan amount credited to the borrower at settlement.

Q: What is the FINANCE CHARGE? (Box “B” above)

A: The finance charge is the cost of credit expressed in dollars. It is the total amount of interest calculated at the interest rate over the life of the loan, plus prepaid finance charge and the total amount of any required mortgage insurance charged over the life of the loan.

Q: What is the AMOUNT FINANCED? (Box “C” above)

A: The amount financed is the loan amount applied for minus prepaid finance charges. Prepaid finance charges include items paid at or before settlement closing, such as loan origination fee, commitment or discount fees (points), adjusted interest, and initial mortgage insurance premium. The amount financed is lower than the amount of the loan that is applied for because it represents a NET figure.

Q: Does this mean I will get a smaller loan than I applied for?

A: No. If the loan is approved in the amount requested, the borrower will receive credit toward the home purchase or refinance for the full amount for which the borrower applied.

Q: What is the TOTAL OF PAYMENTS? (Box “D” above)

A: This figure represents the total amount the borrower will have paid if the minimum required payment is made for each payment over the entire period of loan. This includes principal, interest and mortgage insurance premiums, but does NOT include payments for real estate taxes or property insurance premiums.

Q: The disclosure says that if the borrower pays the loan off early, no refund will be given for any part of the finance charge. What does this mean?

A: This means that all that will be charged is interest on the unpaid loan amount during the time that the funds were borrowed. Generally, the prepaid finance charges are not refundable nor is any interest that has already been paid.

GOOD FAITH ESTIMATE

Applicants:
 Property Addr:
 Prepared By:

Application No:
 Date Prepared:
 Loan Program:

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

| | Total Loan Amount \$ | Interest Rate: % | Term: mths | |
|---|--|------------------|------------|----|
| 800 | ITEMS PAYABLE IN CONNECTION WITH LOAN: | | | |
| 801 | Loan Origination Fee | | | \$ |
| 802 | Loan Discount | | | |
| 803 | Appraisal Fee | | | |
| 804 | Credit Report | | | |
| 805 | Lender's Inspection Fee | | | |
| 808 | Mortgage Broker Fee | | | |
| 809 | Tax Related Service Fee | | | |
| 810 | Processing Fee | | | |
| 811 | Underwriting Fee | | | |
| 812 | Wire Transfer Fee | | | |
| | | | | |
| | | | | |
| 1100 | TITLE CHARGES: | | | |
| 1101 | Closing or Escrow Fee: | | | \$ |
| 1105 | Document Preparation Fee | | | |
| 1106 | Notary Fees | | | |
| 1107 | Attorney Fees | | | |
| 1108 | Title Insurance: | | | |
| | | | | |
| | | | | |
| 1200 | GOVERNMENT RECORDING & TRANSFER CHARGES: | | | |
| 1201 | Recording Fees: | | | \$ |
| 1202 | City/County Tax/Stamps: | | | |
| 1203 | State Tax/Stamps: | | | |
| | | | | |
| | | | | |
| 1300 | ADDITIONAL SETTLEMENT CHARGES: | | | |
| 1302 | Pest Inspection | | | \$ |
| | | | | |
| | | | | |
| <i>Estimated Closing Costs</i> | | | | |
| 900 | ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE: | | | |
| 901 | Interest for | days @ \$ | per day | \$ |
| 902 | Mortgage Insurance Premium | | | |
| 903 | Hazard Insurance Premium | | | |
| 904 | | | | |
| 905 | VA Funding Fee | | | |
| | | | | |
| 1000 | RESERVES DEPOSITED WITH LENDER: | | | |
| 1001 | Hazard Insurance Premiums | months @ \$ | per month | \$ |
| 1002 | Mortgage Ins. Premium Reserves | months @ \$ | per month | |
| 1003 | School Tax | months @ \$ | per month | |
| 1004 | Taxes and Assessment Reserves | months @ \$ | per month | |
| 1005 | Flood Insurance Reserves | months @ \$ | per month | |
| | | months @ \$ | per month | |
| | | months @ \$ | per month | |
| <i>Estimated Prepaid Items/Reserves</i> | | | | |
| TOTAL ESTIMATED SETTLEMENT CHARGES | | | | |

**CALIFORNIA
INSURANCE DISCLOSURE**

Loan Number: **BB0077777GW**

Borrower: **JUAN IVAN GONZALES AND SANDRA ANNA GONZALES**

Property Address: **5717 Foster Ave
Any City, California 95555**

California Civil Code Section 2955.5(a) states:

“ No Lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.”

Your acknowledgment below signifies that this written notice was provided to you pursuant to the state statute.

JUAN IVAN GONZALES Date

SANDRA ANNA GONZALES Date

Date

Date

NOTICE OF
RIGHT TO COPY OF APPRAISAL REPORT

Date: APRIL 29, 20XX

Loan#: BB0077777GW

Dear:

JUAN IVAN GONZALES AND SANDRA ANNA GONZALES

You have the right to a copy of the appraisal report to be obtained in connection with the loan for which you are applying, provided that you have paid for or are willing to pay for the appraisal. If you want a copy of the appraisal report, please submit a written request to this lender no later than 90 days after closing to the following address:

Hard Money Lender Inc.
100 South First Street Suite 206
Burbank, CA 90502

This lender cannot be held liable for any appraisal inaccuracies. We are providing this appraisal copy in accordance with the Equal Credit Opportunity (ECOA). It is provided for informational purposes only. Further use of the appraisal is prohibited by you or any third party.

MY/OUR SIGNATURE BELOW ACKNOWLEDGES MY/OUR RECEIPT OF THIS NOTICE OF MY/OUR RIGHT TO A COPY OF THE APPRAISAL REPORT.

X _____
JUAN IVAN GONZALES Date

X _____
SANDRA ANNA GONZALES Date

X _____
Date

***Please keep a copy of this notice with your other loan record.*

City Escrow Company, Inc.
22254 Vermont Avenue
Torrance, CA 90604
(310) NEUTRAL Fax (310) NEUTRAL

AMENDED ESCROW INSTRUCTIONS

Escrow No. 1111-DG

Date January 17, 20XX

Re: 5717 FOSTER AVE, ANY CITY, CALIFORNIA 95555

To: City Escrow Company, Inc. –Donna Grogan

My previous instructions in the above numbered escrow are hereby modified-supplemented in the following particulars only:

- 1) A new Conventional Trust Deed Loan in favor of **Hard Money Lender, Inc.**, in the principal amount of **\$246,400.00** bearing interest at the rate of 5.500% per annum, for a term of **15** year. Borrower(s) signature on loan documents shall constitute full acceptance and approval of all lender terms and conditions and shall be Escrow Holder's authorization to comply with all terms and conditions contained therein.
- 2) Borrower's vesting is hereby to read as follows:

Juan Ivan Gonzales and Sandra Anna Gonzales, Husband and Wife as Joint Tenants

All other terms and conditions of this escrow shall remain the same. All parties signing this instruction acknowledge receipt of a copy of same.

Borrower's Signature

Juan Ivan Gonzales

Sandra Anna Gonzales

THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977

FAIR LENDING NOTICE

IT IS ILLEGAL TO DISCRIMINATE IN THE PROVISION OF OR IN THE AVAILABILITY OF FINANCIAL ASSISTANCE BECAUSE OF THE CONSIDERATION OF:

1. TRENDS, CHARACTERISTICS OR CONDITIONS IN THE NEIGHBORHOOD OR GEORGRAPHIC AREA SURROUNDING A HUSING ACCOMMODATION, UNLESS THE FINANCIAL INSTITUTION CAN DEMONSTRATE IN THE PARTICULAR CASE THAT SUCH CONSIDERATION IS REQUIRED TO AVOID AN UNSAFE AND UNSOUND BUSINES PRACTICE; OR
2. RACE, COLOR, RELIGION, SEX, MARITAL STATUS, NATIONAL ORIGIN OR ANCESTRY.

IT IS ILLEGAL TO CONSIDER THAT RACIAL, ETHNIC, RELIGIOUS OR NATIONAL ORIGIN COMPOSITION OF A NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMODATION OR WHETHER OR NOT SUCH COMPOSITION IS UNDERGOING CHANGE, OR IS EXPECTED TO UNDERGO CHANGE, IN APPRAISING A HOUSING ACCOMMODATION OR IN DETERMINING WHETHER OR NOT, OR UNDER WHAT TERMS AND CONDITIONS, TO PROVIDE FINANCIAL ASISTANCE.

THESE PROVISIONS GOVERN FINANCIAL ASSISTANCE FOR THE PURPOSE OF THE PURCHASE, CONSTRUCTION, REHABILITATION OR REFINANCING OF ONE-TO-FOUR UNIT FAMILY RESIDENCIES OCCUPIED BY THE OWNER AND FOR THE PURPOSE OF THE HOME IMPROVEMENT OF ANY ONE-TO-FOUR UNIT FAMILY RESIDENCE.

IF YOU HAVE QUESTIONS ABOUT YOUR RIGHTS, OR IF YOU WISH TO FILE A COMPLAINT, CONTACT THE MANAGEMENT OF THIS FINANCIAL INSTITUTION OR:

DEPARTMENT OF REAL ESTATE AT ONE OF THE FOLLOWING LOCATIONS:

| | | | | |
|-------------------------------|------------|-------------|----|------------|
| 2201 Broadway | | Sacramento | CA | 95818 |
| 1515 Clay St. | Suite 702 | Oakland | CA | 94612-1402 |
| 2550 Mariposa Mall | Room 3070 | Fresno | CA | 93721-2273 |
| 320 W. 4 th Street | Suite 350 | Los Angeles | CA | 90013-1105 |
| 1350 Front Street | Suite 3064 | San Diego | CA | 92101-3687 |
| 107 South Broadway | Room 8107 | Los Angeles | CA | 90012 |

ACKNOWLEDGMENT OF RECEIPT

I (WE) RECEIVED A COPY OF THIS NOTICE

Signature of Applicant Date
Juan Ivan Gonzales

Signature of Applicant Date
Sandra Anna Gonzales

NOTICE TO BORROWER- IMPOUND/ESCROW ACCOUNT

What are “Impounds”?

Funds for the payment of taxes and hazard insurance, collected monthly as part of the loan payment. These funds are deposited into the borrower’s trust account, being “impounded”, so to speak. We then pay the taxes on the property and the annual hazard insurance premium from the funds in this account.

The monthly impound is collected at a rate of 1/12 the estimated annual tax and insurance cost, considering the prior year’s actual tax bill and current insurance cost.

IMPORTANT- Please Read Carefully

You are hereby advised that California law, as it relates to single-family, owner-occupied dwellings only, prohibits a lender from requiring an impound account for the payment of taxes, insurance premiums, or other purposes as a condition of the loan except in certain instances. These instances include:

- (1) Where required by a state or federal regulatory authority; or
- (2) Where a loan is made, guaranteed, or insured by a state or federal governmental lending or insuring agency; or
- (3) Upon a failure of the borrower to pay two consecutive tax installments on the property prior to the delinquency date for such payments; or
- (4) Where the original principal amount of such a loan is 90% or more of the sale price, if the property involved is sold, or is 90% or more of the appraised value of the property securing the loan; or
- (5) Where the combined principal balances of all loans (first, second, etc.) exceed 80% of the appraised value of the property securing the loan.

Our form of deed of trust provides for the establishment of an impound account if we request. However, notwithstanding said provision, **we will not require an impound account as a condition of our making a loan where such requirement is prohibited by law.**

The law does provide for the establishment of an impound account for any loan if both parties agree. If you desire voluntarily to establish an impound account, you may so indicate in the space provided below.

Whether the establishment of an impound account is required by us or is voluntarily requested by you, all funds received by us for such account will only be accepted on the understanding that as required by laws.

- (1) Will pay interest on any impound account funds at the rate of 2% per annum for any loan that was recorded on or after 1-1-80.
- (2) Will report said interest earned to the Franchise Tax Board and Internal Revenue Service.

Receipt is hereby acknowledged of a copy of the above Notice.

I desire voluntarily to have an impound account.

I desire not to have an impound account.

Impounds required on this loan.

In the event an impound account is established, whether at the request of the undersigned or otherwise, it is agreed that I assume the tax liability, if any, for the earned interest on such account. This agreement shall apply to all loans and is not limited to loans on single-family, owner-occupied dwellings.

JUAN IVAN GONZALES

SANDRA ANNA GONZALES

FLOOD HAZARD NOTICE

| | |
|--|---|
| Name and Address of Lender/Creditor: HARD MONEY LENDER INC. 100 SOUTH FIRST STREET SUITE 206, BURBANK, CA 90502 (818) 503-0000 | Name(s) Address(es) of Borrower(s): Juan Ivan Gonzales, Sandra Anna Gonzales 5717 FOSTER AVE, ANY CITY, CA 95555 |
|--|---|

1. Notice to Borrower of Special Flood-Hazards

Notice is hereby give to JUAN IVAN GONZALES, SANDRA ANNA GONZALES

That the building or mobile home securing the loan for which you have applied in an area with special flood hazards. The area has been identified by the Director of the Federal Emergency Management Agency (FEMA) as a special flood hazard area using FEMA's **Flood Insurance Rate Map** or the **Flood Hazard Boundary Map** for the following community:

This area has at least a one percent (1%0 chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year. During the life of a 30-year flood in a special flood hazard area is 26 percent (26%).

Federal Law allows a lende4r and borrower jointly to request the Director FEMA to review the determination of whether the property securing the loan is located in a special flood hazard area. If you would like to make such request, please contact us for further information.

2. Notice to Borrower about Federal Disaster Relief Assistance

Lender check (a) or (b)

(a) Notice in Participating Communities

The community in which the property securing the loan is located participates in the National Flood Insurance Program (NFIP). Federal law will not allow us to make you the loan that you have applied for if you do not purchase flood insurance. The flood insurance must be maintained for the life of the loan. If you fail to purchase or renew flood insurance on the property, Federal law authorizes and requires us to purchase the flood insurance for you at your expense.

1. Flood insurance coverage under the NFIP may be purchased through an insurance agent who will obtain the policy either directly through the NFIP or through an insurance company that participates in the NFIP. Flood insurance also may be available from private insurers that do not participate in the NFIP.
2. At a minimum, flood insurance purchased must cover the lesser of:
 - (1) the outstanding principal balance of the loan; or
 - (2) the maximum amount of coverage allowed for the type of property under the NFIP

Flood insurance coverage under the NFIP is limited to the overall value of the property securing the loan minus the value of the land on which the property is located.

3. Federal disaster relief assistance (usually in the form of a low-interest loan) may be available for damages incurred in excess of your flood insurance if your community's participation in the NFIP is in accordance with NFIP requirements.

(b) Notice in Non-participating Communities

Flood insurance coverage under the NFIP is not available for the property securing the loan because the community in which the property is located does not participated in the NFIP. In addition, if the non-participating community has been identified for at least one year as containing a special flood hazard area, properties located in the community will not be eligible for Federal disaster relief assistance in the event of a Federally-declared flood disaster.

3. Statement of the Borrower

I/We, JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Hereby acknowledge that on the date indicated below I have received a Notice to Borrower of Special Flood Hazards, indicating that the property securing my loan is in an area identified as having special flood hazards, and a Notice to Borrower about Federal Disaster Assistance, indicating whether such assistance will or will not be available for such property.

Nancy May

Loan Officer's Signature

Borrower
Juan Ivan Gonzales

Date

Borrower
Sandra Anna Gonzales

Date

FLOOD ZONE NOTIFICATION

LENDER: HARD MONEY LENDER, INC.

ADDRESS: 100 SOUTH FIRST STREET SUITE 206, BURBANK, CA 90502

LOAN NUMBER: BB0077777GW

BORROWER(S): JUAN IVAN GONZALES, SANDRA ANNA GONZALES

PROPERTY ADDRESS: 5717 FOSTER AVE, ANY CITY, CA 95555

DATE: MAY 19, 20XX

In accordance with applicable federal law, the lender named above (“we, “us” or “our”) has requested a flood zone determination to determine whether or not the building or mobile home securing repayment of the loan for which you, the undersigned borrower(s), have applied is or will be located in a special flood hazard area as identified by the Director of the Federal Emergency Management Agency (FEMA). If we determine that the building or mobile home securing repayment of your loan is or will be located in a Specified Flood Hazard Area, we will notify you promptly.

You hereby acknowledge and agree that:

1. If we determine that the building or mobile home securing repayment of your loan is or will be located in a Specified Flood Hazard Area, and the community in which the property securing the loan is located **participates** in the National Flood Insurance Program (NFIP), you will be required to purchase flood insurance prior to the funding of your loan. Federal law will not allow us to make you the loan for which you have applied if you do not purchase flood insurance. The flood insurance on the property, Federal law authorizes and requires us to purchase the flood insurance for you at your expense.

Flood insurance coverage under the NFIP may be purchased through an insurance agent who will obtain the policy either directly through the NFIP or through an insurance company that participates in the NFIP. Flood insurance also may be available from private insurers that do not participate in the NFIP.

At a minimum, flood insurance purchased must cover the lesser of: (1) the outstanding principal balance of the loan; or (2) the maximum amount of coverage allowed for the type of property under the NFIP. Flood insurance coverage under the NFIP is limited to the overall value of the property securing the loan minus the value of the land on which the property is located.

Federal disaster relief assistance (usually in the form of a low-interest loan) may be available for damages incurred in excess of your flood insurance if your community’s participation in the NFIP is in accordance with NFIP requirements.

2. If we determine that the building or mobile home securing repayment of your loan is or will be located in a Specified Flood Hazard Area, but that flood insurance coverage under

the NFIP is not available for the property securing the loan because the community in which the property is located **does not participate** in the NFIP, we will promptly notify you of that fact. In addition, if the non-participating community has been identified for at least one year as containing a special flood hazard area, properties located in the community will not be eligible for Federal relief assistance in the event of a Federal-declared flood disaster.

I/We have read and understand the contents of this notice, as evidenced by my/our signature(s) below.

Borrower Date
Juan Ivan Gonzales

Borrower Date
Sandra Anna Gonzales

BORROWER'S CERTIFICATION

Date: My 19, 20XX

Loan Number: BB0077777GW

Borrower's Name: JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Property Address: 5717 FOSTER AVE, ANY CITY, CA 95555

The undersigned Borrower(s) certifies to Lender the following:

1. The loan terms stated on the Application for the above referenced loan are true, accurate, and complete.
2. Borrower intends to occupy the property stated as the Property Address referenced above.
3. Fund used to close the above referenced loan are not a gift and are from Borrower's own funds.
4. Borrower has ___ months PITI reserves available after closing, exclusive of cash-out proceeds.
5. Borrower and co-borrower, if applicable, are currently employed as stated on the Application.
6. This transaction is not a non-arms length transaction.

Borrower Juan Ivan Gonzales

Borrower Sandra Anna Gonzales

Borrower

Borrower

Borrower

Borrower

Date: May 19, 2XXX

Lender: HARD MONEY LENDER, INC.

Borrower: JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Property Address: 5717 FOSTER AVE, ANY CITY, CA 95555

CREDIT REPORTING AGENCIES PROVIDING CREDIT SCORING INFORMATION

The following credit reporting agency(ies) provided a credit score that was used by the Lender:
(check all that apply)

Equifax Credit Information Services

P.O. Box 740241
Atlanta, GA 30374
1-800-685-1111

Your credit score: 738 Date of credit score: Credit Score Range:

Key Factors Affecting Your Credit Score:

Information about your credit score is attached.

TransUnion

P.O. Box 1000
Chester, PA 19022
1-800-916-8800

Your credit score: 773 Date of credit score: Credit Score Range:

Key Factors Affecting Your Credit Score:

Information about your credit score is attached.

Experian

P.O. Box 2002
Allen, TX 75013
1-888-397-3742

Your credit score: 765 Date of credit score: Credit Score Range:

Key Factors Affecting Your Credit Score:

Information about your credit score is attached.

Other:

Your credit score: Date of credit score: Credit Score Range:

Key Factor Affecting Your Credit Score:

CONSUMER CREDIT SCORE DISCLOSURE
(Pursuant to California Civil Code §1785.20.2)

Date: May 19, 2XXX

Lender: HARD MONEY LENDER, INC.

Borrower(s): JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Property Address: 5717 FOSTER AVE, ANY CITY, CA 95555

NOTICE TO THE HOME LOAN APPLICANT

In connection with your application for a home loan, the lender must disclose to you the score that a credit bureau distributed to users and the lender used in connection with your home loan, and the key factors affecting your credit scores.

The credit score is a computer generated summary calculated at the time of the request and based on information a credit bureau or lender has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the lender to determining whether you will obtain a loan. They may also be used to determine what interest rate you may be offered on the mortgage. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.

Because the scores is based on information in your credit history, it is very important that you review the credit-related information that is being furnished to make sure it is accurate. Credit records may vary from one company to another.

If you have questions about your credit score or the credit information that is furnished to you, contact the credit bureau at the address and telephone number provided with this notice, or contact the lender, if the lender developed or generated the credit score. The credit Bureau plays no part in the decision to take any action on the loan application and is unable to provide you with specific reasons for the decision on a loan application.

If you have questions concerning the terms of the loan, contact the lender.

Lender Contact Information:
HARD MONEY LENDER, INC.
100 South First Street Suite 206
Burbank, CA 90502
(818) 503-0000

By signing below, the undersigned hereby acknowledge(s) receipt of a copy of this disclosure.

Borrower Date
JUAN IVAN GONZALES

Borrower Date
SANDRA ANNA GONZALES

Lender: HARD MONEY LENDER, INC.

Borrower(s): JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Property Address: 5717 FOSTER AVE, ANY CITY, CA 95555

HAZARD INSURANCE DISCLOSURE

Pursuant to California Civil Code §2955.5

NO LENDER SHALL REQUIRE A BORROWER, AS A CONTITION OF RECEIVING OR MAINTAINING A LOAN SECURED BY REAL PROPERTY , TO PROVIDE HAZARD INSURANCE COVERAGE AGAINST RISKS TO THE IMPROVEMENTS ON THAT REAL PROPERTY IN AN AMOUNT EXCEEDING THE REPLACEMENT VALUE OF THE IMPROVEMENTS ON THE PROPERTY.

THIS DISCLOSURE IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND.

By signing below, I hereby acknowledge receipt of a true copy of this disclosure.

Borrower Date
JUAN IVAN GONZALES

Borrower Date
SANDRA ANNA GONZALES

Borrower Date

Borrower Date

Borrower Date

Borrower Date

PRIVACY NOTICE

HARD MONEY LENDER, INC. does not disclose and does not intend to disclose nonpublic personal information to nonaffiliated third parties, except as permitted by law.

HARD MONEY LENDER, INC. collects and utilizes your nonpublic information for the purpose of attempting to obtain a loan on your behalf, as you have requested. We collect information about you from the following sources:

- a) Information on your loan application and other information that you provide us during the course of our relationship;
- b) Information obtained from consumer reporting agencies

HARD MONEY LENDER, INC. restricts access to your nonpublic personal information to the following:

- a) Potential investors and their employees;
- b) Consumer reporting agencies;
- c) Our employees who need the information to provide services to you; and
- d) Other parties, only as necessary to complete your loan application or as required by law.

HARD MONEY LENDER, INC. maintains safeguards to protect the confidentiality of your non-public personal information.

Dated:

Borrower JUAN IVAN GONZALES

Borrower SANDRA ANNA GONZALES

Borrower

Borrower

Borrower

Borrower

FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT

(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Loan Number: BB0077777GW

Date: MAY 19, 20XX

Creditor: HARD MONEY LENDER, INC.

Address: 100 SOUTH FIRST STREET SUITE 206, BURBANK, CA 90502

Borrower: JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Address: 5717 FOSTER AVE, ANY CITY, CA 95555

Lines containing an "x" are applicable:

| ANNUAL PERCENTAGE RATE | FINANCE CHARGE | Amount Financed | Total of Payments | Total Sale Price |
|--|---|---|---|--|
| The cost of your credit as a yearly rate | The dollar amount the credit will cost you. | The amount of credit provided to you or on your behalf. | The amount you will have paid after you have all payments as scheduled. | The total cost of your purchase on credit including your down-Payment of |
| 5.705% | \$119,248.98 | \$243,144.24 | \$362,393.22 | \$ \$ |

PAYMENTS: Your payment schedule will be

| Number of Payments | Amount of Payment** | When payments Are Due | Number of Payments | Amount of Payment** | When Payments Are Due |
|--------------------|---------------------|-----------------------|--------------------|---------------------|-----------------------|
|--------------------|---------------------|-----------------------|--------------------|---------------------|-----------------------|

| | | | | | |
|-----|----------|-------------------------------|--|--|-------------------|
| 179 | 2,013.29 | Monthly Beginning 07/01/03 | | | Monthly Beginning |
| 1 | 2,014.31 | 06/01/18 | | | |

DEMAND FEATURE: This obligation has a demand feature.

VARIABLE RAE FEATURE: Your loan contains a variable rate feature. Disclosure about the variable are feature have been provided to you earlier.

INSURANCE: The following insurance is required to obtain credit:

- Credit life insurance and credit disability
 Property Insurance
 Flood Insurance
 Private Mortgage Insurance

You may obtain property insurance from any insurer that is acceptable to the Lender.

SECURITY: You are giving a security interest in 5717 FOSTER AVE, ANY CITY, CA 95555

- The goods or property being purchased
 Real Property you already own.

FILLING FEES: \$

LATE CHARGE: If payment is more than 15 days late, you will be charged 5.00% of payment or \$5.00 (which ever is greater).

PREPAYMENT: If you pay off early, you

- may may not have to pay a penalty
 may may not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

- may may, subject to conditions
 may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the schedule date and prepayment refunds and penalties.

"e" means an estimated all dates and numerical disclosures except the late payment disclosure are estimates.

Lender: HARD MONEY LENDER, INC.
 100 SOUTH FIRST STREET SUITE 206, BURBANK, CALIFORNIA 90502

Re: JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Property Address: 5717 FOSTER AVE, ANY CITY, CA 95555

Date: May 19, 20XX

Loan Number: BB0077777GW

| | | |
|------------------------|--|---------------------|
| Ref HUD-1 Statement | ITEMIZATION OF AMOUNT FINANCED | |
| | Amount given to you directly | \$ |
| | Amount paid on your account: | |
| 1001 | Insurance Reserves | |
| 1004 | Tax Reserves | |
| | Flood Reserves | |
| 1009 | Aggregate Adjustment | |
| | Amount to others on your behalf: | |
| 803 | Appraisal Fee 625.00 PD to: Broker | |
| 804 | Credit Reporting Fee to: Broker | 18.00 |
| 903 | Hazard Insurance Premium | |
| 1106 | Notary Fee | |
| 1108 | Title Ins. Premium | |
| 1201 | Recording Fee | |
| | Loan Proceeds to: City Escrow Company, Inc. | \$242,501.24 |
| | SERVICE RELEASE PREMIUM to: Broker (+3,388.00) (p.o.c) \$3,388.00 | |
| | AMOUNT FINANCED | \$243,144.24 |
| | Prepaid Finance Charge | \$ 3,255.76 |

| | | |
|------|--|---|
| | Itemization of Prepaid Finance Charge: | Loan Amount: \$246,400.00 |
| 801 | Loan Origination Fee to: Broker | \$1,232.00 |
| 802 | Loan Discount Fee | \$ |
| 806 | Tax Service Fee | \$ |
| 901 | Prepaid Interest (9days) @5.500% per annum | \$ 338.76 |
| 902 | Mtge. Ins. Premium | \$ |
| 1002 | Mtge. Ins. Reserves | \$ |
| 808 | Origination Fee to: Lender | \$ |
| | Funding Fee to: Lender | \$415.00 |
| | Underwriting Fee to: Lender | \$175.00 |
| 809 | Documentation Fee to: Lender | \$195.00 |
| | Appraisal Fee | \$ |
| | Credit Report Fee | \$ |
| | Processing Fee to: Broker | \$200.00 |
| | Escrow Fee to: Others | \$700.00 |
| | Total Prepaid Finance Charge | \$3,255.76 |
| | | <p>This form does not cover all items you will be required to pay in cash at settlement, for example, deposits in escrow for real estate taxes and insurance may be different. You may wish to inquire as to the amounts of such other items. You may be required to pay other additional amounts to be settled.</p> <p><input type="checkbox"/> All disclosures are estimates</p> |

FROM: HARD MONEY LENDER, INC.
100 SOUTH FIRST STREET SUITE 206
BURBANK, CALIFORNIA 90502
Phone: (818) 503-0000

TO: CITY ESCROW COMPANY, INC.
22254 VERMONT AVENUE
TORRANCE, CA 90604
Phone: NEUTRAL

TITLE: PACIFIC OCEAN TITLE COMPANY, INC.
4412 PACIFIC COAST HIGHWAY #17
TORRANCE, CA 90604
Phone: (800) TITLE-CO

ATTN: DONNA GROGAN

RE: Borrower(s): JUAN IVAN GONZALES, SANDRA
ANNA GONZALES
Property Address: 5717 FOSTER AVE,
ANY CITY, CALIFORNIA 95555

DOCUMENT DATE: 01/17/20XX
CLOSING DATE: 04/01/20XX
DISBURSEMENT DATE: 04/01/20XX
LOAN #: BB007777GW
ORD #:
ESCROW #: 1111-DG
ORDER #: 837777-99
P&I: \$2,013.29
TAX:
INS.:
PMI/MMI:
TOTAL: \$2,013.29

SPECIFIC CLOSING INSTRUCTIONS

LOAN DOCUMENTS:

We enclose the following documents necessary to complete the above referenced loan transaction:

- | | |
|---|--|
| (X) Closing Inst. Addendum | (X) Note |
| (X) Deed/Mortgage | (X) 1-4 Family Rider |
| (X) Truth-in-Lending | (X) Affidavit and Agrmnt. |
| (X) Hazard Ins. Reg. | (X) Privacy Notice |
| (X) Hazard Ins. Disclosure | (X) Consumer Credit Score Disclosure |
| (X) Consumer Caution and Home Ownership | (X) Private Mort. Ins. Disclosure |
| (X) Address Cert. | (X) Borrower Cert. |
| (X) Flood Zone Notification | (X) Notice to Borrower Impound Escrow Acct |
| (X) Notice of Right to Cancel | (X) Fair Lending Notice |
| (X) Borrower's Cert. & Auth. | (X) Payment Letter |
| (X) Compliance of Servicing | (X) Initial Escrow Statement |
| (X) Fed. Equal Credit Opp. Act Notice | (X) 4506 |
| (X) Ack. Of Receipt of Good Faith Est.. | (X) Appraisal Disclosure |
| (X) Signature Affidavit.. | |

Deliver one(1) copy of all loan documents to the Borrower(s); deliver one(1) copy of the Federal Truth-In-Lending Disclosure Statement to **each** Borrower:

LOAN TERMS:

| | |
|--------------------------------|----------------------|
| Loan Amount: \$270,000.00 | ARM Loan: No |
| Sales Price: | Index: |
| Term (Months): 180 | Margin: |
| Interest Rate: 5.500 | Periodic Rate Cap: |
| Monthly P&I: 2,013.29 | Lifetime Rate Cap: |
| First Payment Date: 07/01/20XX | Lifetime Rate Floor: |
| Last Payment Date: 06/01/20XX | Payment Change Date: |

PAYOFF REQUIREMENTS:

It is a condition to the funding of this loan that the following payoffs be made through this closing. Indicate payoffs on the HUD-1 Settlement Statement or provide other satisfactory evidence of payoff:

CONDITIONS TO BE SATISFIED PRIOR TO DISBURSEMENT OF LOAN PROCEEDS:

EXECUTION OF LOAN DOCUMENTS OUTSIDE OF ESCROW IS NOT PERMITTED. IF SO, ESCROW/TITLE COMPANY MUST PROVIDE STATEMENT OF INDEMNITY.

SEE ATTACHED ADDENDUM TO CLOSING INSTRUCTIONS

TITLE INSURANCE REQUIREMENTS

You are authorized to use funds for the account of the Borrowers and to record all instruments when you comply with the following:

1. THIS LOAN MUST RECORD IN 1ST LIEN POSITION ON OR PRIOR TO THE DISBURSEMENT DATE NOTED ABOVE. PROVIDE DUPLICATE ORIGINALS OF THE ALTA TITLE POLICY.
2. Vesting to read: **JUAN IVAN GONZALES AND SANDRA ANNA GONZALES, HUSBAND AND WIFE AS JOINT TENANTS**
3. Title Policy must contain the following endorsements (or their equivalents): 100,116,8.1,103.5#4,103.1#5
4. ALTA Title Policy must be free from liens, encumbrances, easements, encroachments and other title matters except (i) the lien of our loan in the amount of our loan on the property described herein showing the Instrument of Document Number and the date of recording of the Security Instrument; (ii) general, specific, state, county, permitted by us; and (iv) the following items as shown on the preliminary title report, commitment, binder or equivalent dated **March 20, 2003:1-3 (PC), 4-8.**

SECONDARY FINANCING

Secondary financing in the amount of \$0.00 has been approved.

Specific closing Instructions

HARD MONEY LENDER, INC.
100 SOUTH FIRST STREET SUITE 206, BURBANK, CALIFORNIA 90502

LOAN SERVICING DISCLOSURE STATEMENT

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RELATED RIGHTS. IF YOUR LOAN IS MADE, SAVE THIS STATEMENT WITH YOUR LOAN DOCUMENTS. SIGN THE ACKNOWLEDGEMENT AT THE END OF THIS STATEMENT ONLY IF YOU UNDERSTAND ITS CONTENTS.

Because you are applying for a mortgage loan covered by the Real estate Settlement Act (RESPA) (12 U.S.C. §2601 et seq.) you have certain rights under that Federal Law.

This statement tells you about those right. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest and escrow account payments, if any. If your loan servicer changes, there are certain procedures that must be followed. This statement generally explains those procedures.

Transfer Practices and Requirements

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loan servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of transfer. The 15 day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you upon the occurrence of certain business emergencies.

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

Complaint Resolution

Section 6 of RESPA (12 U.S.C. §2605) gives you certain consumer rights, **whether or not your loan servicing is transferred**. If you send a "qualified written request" to your servicer, your servicer must provide you with a written 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 the information regarding your request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or must provide you with a written clarification regarding any dispute. During this 60-Business Day period, your servicer may not provide information to a customer reporting agency concerning any overdue payment related to such period or qualified written request.

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

Damages and Costs

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

Servicing Transfer Estimated by Lender

5. The following is the best estimate of what happen to the servicing of your mortgage loan:
___ We are able to service your loan and presently intend to do so.

X We do not service mortgage loans and we presently intend to assign, sell, or transfer the servicing of your mortgage loan. You will be informed about your servicer.

6. For all the first lien mortgage loans that we make in the 12-month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between: **76-100%** This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.
7. This is our record of transferring the servicing of the mortgage loans we have made in the past:

| YEAR | PERCENTAGE OF LOANS TRANSFERRED |
|-------------|--|
| 2000 | 100.00% |
| 2001 | 100.00% |
| 2002 | 100.00% |

This information does does not include assignments, sales or transfers to affiliates or subsidiaries.
HARD MONEY LENDER, INC.

IMPORTANT NOTICE REGARDING CALIFORNIA PROPERTY TAXES

APPLICATION NO:

PROPERTY ADDRESS: 5717 FOSTER AVE, ANY CITY, CALIFORNIA 95555

SUPPLEMENT TAX BILLS:

California property tax law requires the Assessor to re-value real property at the time property ownership changes, or additional improvements are made. Because of this law, you may receive 1 or 2 "SUPPLEMENTAL" tax bills directly from the Tax Collector, depending on when your loan closes.

It is your responsibility to pay these "SUPPLEMENTAL" tax bills directly to the Tax Collector, even if your loan includes impounds for the regular tax bill.

Supplemental tax bills are issued to cover the remaining portion of the current tax year and assess (or grants refunds) based upon the increase (or decrease) in property value compared to the Assessor's records. These taxes are due when the supplemental bills are mailed and delinquent if not paid by the last day of the following month. Starting with the property tax year following re-assessment, your regular tax bill will be based on a full assessment of the property's value and the lender will pay the property taxes if your monthly payment includes amount for that purpose.

If you have any questions concerning this subject matter, please call your local Tax Collector's Office.

Sincerely,

HARD MONEY LENDER, INC.

By:

ACKNOWLEDGEMENT RECEIPT

Date:

(Applicant) JUAN IVAN GONZALES

(Applicant) SANDRA ANNA GONZALES

(Applicant)

(Applicant)

(Applicant)

(Applicant)

HARDSHIP

Loan No: BB0077777GW

Re: Borrower(s): JUAN IVAN GONZALES, SANDRA ANNA GONZALES

Property Address: 5717 FOSTER AVE, ANY CITY, CALIFORNIA 95555

I/WE, THE UNDERSIGNED BORROWER(S) UNDERSTAND AND ACKNOWLEDGE THAT MY/OUR FIRST MORTGAGE PAYMENT FOR THIS LOAN ON THE ABOVE REFERENCED PROPERTY IS DUE WITHIN THIRTY (30) DAYS OF LOAN CLOSING. THIS WILL NOT CREATE ANY FINANCIAL HARDSHIP TO ME/US.

Borrower JUAN IVAN GONZALES

Borrower SANDRA ANNA SALDANA

Borrower

Borrower

Borrower

Borrower

COUNTY ASSESSOR'S OFFICE

Escrow: 1111-DG

PRELIMINARY CHANGE OF OWNERSHIP REPORT

THIS REPORT IS NOT A PUBLIC DOCUMENT

To be completed by transferee (buyer prior to transfer of subject property in accordance with Section 480.3 of the Revenue and Taxation Code.) This report is not a public document

SELLER/TRANSFEROR:

ASSESSOR'S PARCEL NUMBER(S): and, (if applicable)
LEGAL DESCRIPTION: LOT; TRACT:
PROPERTY ADDRESS OR LOCATION: 5717 FOSTER AVENUE
ANY CITY, CALIFORNIA 95555

Mail Tax Information To; (Name): JUAN IVAN GONZALES
(Address): 5643 Any Street
Any City, CA 90248

FOR RECORDER'S USE ONLY
FOR ASSESSOR'S USE ONLY
CLUSTER
OC1 OC2
DT INT
RC SP\$
DTT\$ #PCL
A preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located; this particular form may be used in all 58 counties of California.

The property which you acquired may be subject to a supplemental assessment in an amount to be determined by the County Assessor. For further information on our supplemental tax roll obligation, please call the County Assessor's Office.

PART I; TRANSFER INFORMATION Please answer all questions

- [X] Yes [] No A. Is this transfer solely between husband and wife?
[] Yes [] No B. Is this transaction only a correction of the name(s) of the person(s) holding title to the property?
[] Yes [] No C. Is this document recorded to create, terminate, or reconvey a lender's interest in the property?
[] Yes [] No D. Is this transaction recorded only to create, terminate, or reconvey a security interest (e.g. signer)?
[] Yes [] No E. Is this document recorded to substitute a trustee under a deed of trust, mortgage, or similar document?
[X] Yes [] No F. Did this transfer result in the creation of a joint tenancy in which the seller (transferor) remains as one of the joint tenants?
[X] Yes [] No G. Does this transfer return property to the person who created the joint tenancy (original transferor)?
H. Is this transfer of property
[] Yes [] No 1. to a trust for the benefit of the grantor, or grantor's spouse?
[] Yes [] No 2. to a trust revocable by the transferor?
[] Yes [] No 3. to a trust from which the property reverts to the grantor within 12 years?
[] Yes [] No I. If this property is subject to a lease, is the remaining lease term 35 years or more including written option?
[] Yes [] No J. Is this a transfer from parents to children or from children to parents?
[] Yes [] No K. Is this transaction to replace a principal residence by a person 55 years of age or older?
[] Yes [] No L. Is this transaction to replace principal residency by a person who is severely disabled as defined by Revenue and Taxation Code Section 69.5?

If you checked yes to J, K, or L, an applicable claim form must be filed with the County Assessor. Please provide any other information that would help the Assessor to understand the nature of the transfer.

IF YOU HAVE ANSWERED "YES" TO ANY OF THE ABOVE QUESTIONS EXCEPT J, K, OR L, PLEASE SIGN AND DATE, OTHERWISE COMPLETE BALANCE OF THE FORM.

PART II: OTHER TRANSFER INFORMATION

- A. Date of transfer if other than recording date:
B. Type of transfer. Please check appropriate item.
[] Purchase [] Foreclosure [] Gift [] Trade or Exchange [] Merger, Stock, or Partnership Acquisition
[] Contract of Sale-Date of Contract
[] Inheritance-Date of Death [] Other (please explain):
[] Creation of a Lease [] Assignment of a Lease [] Termination of a Lease
Date Lease Began
Original term in years (including written options)
Remaining term in years (including written options)
C. Was only a partial interest in the property transferred? [] Yes [] No If "Yes" indicate the percentage transferred: %
AS-SV25 SBE-ASD AH 502-A FRONT 1-8-92

PRELIMIANRY CHANGE OF OWNERSHIP REPORT

Escrow: 1111-DG

Please answer, to the best of your knowledge, all applicable questions, sign and date. If a question does not apply, indicate with N/A

PART III: PURCHASE

A. CASH DOWN PAYMENT or value of Trade or Exchange (excluding closing cost) Amount \$ _____

B. FIRST DEED OF TRUST @ _____ % Interest for _____ years. Payments/Mo.= _____ (Prin.& Int.) Amount \$ _____

- FHA Fixed Rate New Loan
- Conventional Variable Rate Assumed Existing loan Balance
- VA All inclusive D.T. \$___ Wrapped Bank or Savings & Loan
- Cal-Vet Loan Carried by Seller Finance Company

Balloon Payment Yes No Due Date _____ Amount \$ _____

C. SECOND DEED OF TRUST @ _____ % Interest for _____ years. Payments/Mo.= \$ _____ (Prin.&Int.) Amount \$ _____

- Bank or Savings & Loan Fixed Rate New Loan
- Loan Carried by Seller Variable Rate Assumed Existing loan Balance

Balloon Payment Yes No Due Date _____ Amount \$ _____

D. OTHER FINANCING-Is other financing involved not covered in (B) and (C) above? Yes No Amount \$ _____

Type _____ @ _____ % Interest for _____ years. Payments/Mo.= \$ _____ (Prin.&Int.only)

- Bank or Savings & Loan Fixed Rate New Loan
- Loan Carried by Seller Variable Rate Assumed Existing loan Balance

Balloon Payment Yes No Due Date _____ Amount \$ _____

E. IMPROVEMENT BOND Yes No Outstanding Balance: Amount \$ _____

F. TOTAL PURCHASE PRICE (or acquisition price, if traded or exchanged, include real estate commission if paid).

Total Items A through E

G. PROPERTY PRUCHASED: Through a broker: Direct from seller: Other _____

If purchased through a broker, provide broker's name and phone no.: _____

Please explain any special terms or financing and any other information that would help the assessor understand purchase price and terms of sale.

| |
|----|
| \$ |
|----|

PART IV: PROPERTY INFORMATION

A. IS PERSONAL PROPERTY INCLUDED IN PURCHASE PRICE (other than a mobilehome subject to local property tax)? Yes No

If "Yes", enter the value of the personal property included in the purchase price \$ _____ (Attach itemized list of personal property).

B. IS THIS PROPERTY INTENDED AS YOUR PRINCIPAL RESIDENCE? Yes No

If "Yes", enter date of occupancy _____ / _____ / 20____ or intended occupancy _____ / _____ / 20____
Month day month day

C. TYPE OF PROPERTY PRODUCE INCOME? () Yes () No

- Single-Family Residence Agricultural Timeshare
- Multiple-family residence (no. of Units: _____) Co-op/Own-your-own Mobilehome
- Commercial/Industrial Condominium Unimproved lot
- Other (Description: _____)

D. DOES THE PROPERTY PRODUCE INCOME? () Yes () No

E. IF THE ANSWER TO QUESTION "D" IS YES, IS THE INCOME FROM:

- Lease/Rent Contract Mineral Rights Other-explain _____

F. WHAT WAS THE CONDITION OF PROPERTY AT THE TIME OF SALE? Good Average Fair Poor

Enter here, or on an attached sheet, any other information that would assist the Assessor in determining value of the property such as the physical condition of the property, restrictions, etc.

I certify that the foregoing is true, correct and complete to the best of my knowledge and belief.

Signed _____ Date _____

Please Print Name of New Owner/Corporate Officer _____
Phone Number where you are available from 8:00 a.m. –5:00p.m. () _____

NOTE: The Assessor may contact you for further information)

IF A DOCUMENT EVIDENCING A CHANGE OF OWNERSHIP IS PRESENTED TO THE RECORDER FOR RECORDATION WITHOUT THE CONCURRENT FILING OF A PRELIMINARY CHANGE OF OWNERSHIP REPORT, THE RECORDER MAY CHARGE AN ADDITIONAL RECORDING FEE OF TWENTY DOLLARS (20.00)

TRUTH-IN-LENDING DISCLOSURE STATEMENT

(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Applicants: **JUAN IVAN GONZALES**
SANDRA ANNA GONZALES
 Address: **5717 FOSTER AVE,**
ANY CITY, CA 95555
 Application No: **GONZALES**

Prepared By: **MORTGAGE INC.**
14706 ANY STREET
ANY CITY, CA 90255
 Date Prepared: **03/19/20XX**

| 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 or on your behalf. | The amount you will have paid after you have all payments as scheduled. |
| 6.009% | \$126,175.36 | \$242,128.22 | \$368,303.58 |

REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit
PAYMENTS: Your payment schedule will be:

| Number of Payments | Amount of Payments** | When Payments Are Due | Number of Payments | Amount of Payments** | When Payments Are Due |
|--------------------|----------------------|-----------------------|--------------------|----------------------|-----------------------|
| | | Monthly Beginning: | | | Monthly Beginning: |
| 179 | 2,046.13 | 06/01/20XX | | | |
| 1 | 2,046.31 | 05/01/20XX | | | |

demand FEATURE: This obligation has a demand feature.
 variable RATE FEATURE: This loan contains a variable rate feature. A variable rate disclosure has been provided earlier.

CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

| Type | Premium | Signature |
|----------------------------|---------|--|
| Credit Life | | I want credit life insurance. Signature: |
| Credit Disability | | I want credit disability insurance. Signature: |
| Credit Life and Disability | | I want credit life and disability insurance. Signature: |

INSURANCE: The following insurance is required to obtain credit:
 Credit life insurance Credit disability Property insurance Flood insurance
 You may obtain the insurance from anyone you want that is acceptable to creditor
 If you purchase property flood insurance from creditor you will pay \$ _____ for a one year term.
SECURITY: You are giving a security interest in **5717 FOSTER AVE, ANY CITY, CA 95555**
 The goods or property being purchased Real property you already own.
FILING FEES: \$ _____
LATE CHARGE: If a payment is more than 15 days late, you will be charged 5.000% of the payment
PREPAYMENT: If you pay off early, you
 may will not have to pay a penalty.
 may will not be entitled to a refund of part of the finance charge.

ADDITIONAL REQUIRED CALIFORNIA DISCLOSURES

I. Proposed Loan Amount: \$ 155,000
 Initial Commissions, Fees, Costs and
 Expenses Summarized on Page 1: \$ X,XXX.XX
 Payment of Other Obligations (List):
 Credit Life and/or Disability Insurance (see VI below) \$ _____
 Purchase Price/ Payoff \$ XXX,XXX.XX
 _____ \$ _____
 _____ \$ _____
Subtotal of All Deductions:
Estimated Cash at Closing **To You** **That you must pay** \$ XXX,XXX.XXX
\$ XX,XXX.XX

II. Proposed Interest Rate: 5.750% Fixed Rate Initial Variable Rate

III. Proposed Loan Term: 180/180 Years Months

IV. Proposed Loan Payments: Payments of \$ X,XXX.XX will be made Monthly Quarterly Annually for 180 (number of months, quarters or years). If proposed loan is a variable interest rate loan, this payment will vary (see loan documents for details).

The loan is subject to a balloon payment: No Yes. If Yes, the following paragraph applies and a final balloon payment of \$ _____ will be due on _____ [estimated date(month/day/year)].

Notice to Borrower: If you do not have the funds to pay the balloon payment when it comes due, you may have to obtain a new loan against your property to make the balloon payment. In that case, you may again have to pay commissions, fees, and expenses for the arranging of the new loan. In addition, if you are unable to make the monthly payments or the balloon payment, you may lose the property and all of your equity through foreclosure. Keep this in mind in deciding upon the amount and terms of this loan.

V. Prepayments: The proposed loan has the following prepayment provisions.

- No prepayment penalty.
- Other (see loan documents for details).
- Any payment of principal in any calendar year in excess of 20% of the original balance unpaid balance will include a penalty not to exceed _____ months advance interest at the note rate, but not more than the interest that would be charged if the loan were paid to maturity (see loan documents for details).

VI. Credit Life and/or Disability Insurance; The purchase of credit life and/or disability insurance by a borrower is NOT required as a condition of making this proposed loan.

VII. Other Liens: are there liens currently on this property for which the borrower is obligated? No Yes

If Yes, describe below:

| Lienholder's Name | Amount Owing | Priority |
|-------------------|--------------|----------------------|
| Washington Mutual | XXX,XXX | 1 ST T.D. |
| | | |
| | | |

Liens that will remain or are anticipated on this property after the proposed loan for which you are applying is made or arranged (including the proposed loan for which you are applying):

| Lienholder's Name | Amount Owing | Priority |
|-------------------|--------------|----------|
| | | |
| | | |

NOTICE TO BORROWER: Be sure that you state the amount of all liens as accurately as possible. If you contract with the broker to arrange this loan, but it cannot be arranged because you did not state these liens correctly, you may be liable to pay commissions, costs, fees, and expenses even though you do not obtain the loan.

VIII. Article 7 Compliance: If this proposed loan is secured by a first deed of trust in a principal amount of less than \$30,000 or secured by a junior lien in a principal amount of less than \$20,000, the undersigned licensee certifies that the loan will be made in compliance with Article 7 of Chapter 3 of the Real Estate Law.

A. This loan may will will not be made wholly or in part from broker controlled funds as defined in section 10241(j) of the Business and Professions Code.

B. If the broker indicates in the above statement that the loan "may" be out of broker-controlled funds, the broker must inform the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds. **DRE license information telephone number: 916-227-0931**

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Juan Ivan Gonzales
Sandra Anna Gonzales
5643 P.O. Box, CA 95555

Space Above This Line for Recorder's Use Only

A.P.N.: 111-2222-333

Order No.: 836888-88

Escrow No.: 7-77777

QUITCLAIM DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER TAX \$NONE

[] computed on full value of property conveyed, or

[] computed on full value less value of liens or encumbrances remaining at time of sale.

[] unincorporated area; [X] City of ANY CITY, and

FOR A VALUABLE CONSIDERATION, Receipt of which is hereby acknowledged,

JUAN IVAN GONZALES AND SANDRA ANNA GONZALE, HUSBAND AND WIFE AS FOINT TENANTS the following described property in the City of **ANY CITY**, County of **Los Angeles** State of California;

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

“This conveyance changes the manner in which title is held, grantor(s) and grantee(s) remain the same and continue to hold the same proportionate interest, R & T 11911.”

JUAN IVAN GONZALES

SANDRA ANNA GONZALES

Document Date: May 13, 20XX

STATE OF CALIFORNIA)SS

COUNTY OF _____)

On _____ before me, _____
personally appeared _____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

Mail Tax Statements to : SAME AS ABOVE or address noted Below

APPRAISAL DISCLOSURE

Lender: Hard Money Lender, Inc. Date: May 19, 20XX
100 SOUTH FIRST STREET SUITE 206, BURBANK, CALIFORNIA 91502

Borrower Name(s): IVAN RAYMOND GONZALES, SANDRA ANNA GONZALES

Property Address: 5717 FOSTER AVE, ANY CITY, CALIFORNIA 95555

You have the right to a copy of the appraisal report used in connection with your application for credit. If you wish a copy, please write to us at the mailing address we have provided. We must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application.

Contact: NANCY MAY

Lender/Broker: HARD MONEY LENDER, INC.

Address: 100 SOUTH FIRST STREET SUITE 206, BURBANK, CALIFORNIA 91502

Telephone: (818) 503-0000

In your letter, give us the following information:

LOAN OR APPLICATION NUMBER, IF KNOWN, DATE OF APPLICATION, NAME(S) OF LOAN APPLICANT(S), PROPERTY ADDRESS, AND YOUR CURRENT MAILING ADDRESS.

Borrower Date
Juan Ivan Richards

Borrower Date
Sandra Anna Richards

BORROWER'S CERTIFICATION & AUTORIZATION

Certification

The undersigned certify the following:

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

Authorization to Release Information

To Whom It May Concern:

1. I/We have applied for a mortgage loan from HARD MONEY LENDER, INC.. As part of the application process, HARD MONEY LENDER, INC. and the mortgage guaranty insurer (if any), may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to HARD MONEY LENDER, INC. and to any investor to whom HARD MONEY LENDER, INC. may sell my mortgage, and to the mortgage guaranty insurer (if any), any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. HARD MONEY LENDER, INC. any investor that purchases the mortgage, or the mortgage guaranty insurer (if any), 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 HARD MONEY LENDER, INC., the investor that purchased the mortgage, or the mortgage guaranty insurer (if any) is appreciated.

6. Mortgage guaranty insurer (if any):

Right of Financial Privacy Act of 1978 Notice-The Department of Housing and Urban Development (HUD) and the Department of Veterans Affairs (VA) have the right to access financial information held by a financial institution in determining whether to qualify a prospective applicant under their respective loan programs. If you are applying for HUD or VA loan, your financial records will be made available to the requesting government agency without further notice to or authorization from you; such financial information will not be disclosed or released outside the requesting agency except as required or permitted by law. Prior to the time that your financial records are disclosed, you may revoke this authorization at any time; however, your refusal to provide the information may cause your application to be delayed or rejected. If you believe that your financial records have been disclosed improperly, you may have legal rights under the Right to Financial Privacy Act of 1978 (12 USC 3400 et seq.).

| | |
|--------------------|------|
| Borrower | Date |
| Juan Ivan Gonzales | |

Social Security Number

| | |
|----------------------|------|
| Borrower | Date |
| Sandra Anna Gonzales | |

Social Security Number

FEDERAL EQUAL CREDIT OPPORTUNITY ACT NOTICE

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, handicap, familiar status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

The Federal Agency that administers compliance with this law concerning this creditor is:

Federal Trade Commission
Equal Credit Opportunity
Washington, DC 20580
(202) 724-1140

I/We acknowledge that I/we have received a copy of this notice.

Borrower Date
Juan Ivan Gonzales

Borrower Date
Sandra Anna Gonzales

Borrower Date

Borrower Date

Borrower Date

Borrower Date

LENDER RIGHTS CONCERNING THE CHARGING OF PER DIEM INTEREST ON CALIFORNIA RESIDENTIAL MORTGAGE LOANS

Dear Borrower:

You are about to close your California residential mortgage loan with a Residential Mortgage Lender (RML) licensed by the California Department of Corporations. Under California Law, your RML is authorized to begin charging interest on your loan at the Note rate up to 24 hours prior to the recording of your security instrument (Deed of Trust), also known as "loan closing." The amount of interest that may be charged to you 24 hours prior to the recording date will be \$37.64.

However, should you elect to close your loan and record the security instrument on a Monday or on the day immediately following a Bank Holiday, interest on your loan may commence to accrue on the business day immediately preceding the day of recording. For instance, if you elect to close your loan on a Monday, interest may begin to accrue on Friday – immediately preceding the business day. The maximum amount of additional interest that may be charged to you prior to the recording date will be \$112.92.

I HAVE READ THE FOREGOING DISCLOSURE AND UNDERSTAND THAT I MAY BE CHARGED A HIGHER AMOUNT OF INTEREST SHOULD I CHOOSE TO CLOSE (RECORD) MY RESIDENTIAL MORTGAGE LOAN ON A MONDAY OR ON A BUSINESS DAY IMMEDIATELY FOLLOWING A BANK HOLIDAY.

I elect to close my loan (record the security instrument) on any day BUT a Monday or on a business day immediately following a Bank Holiday in order to avoid incurring interest charges beyond 24 hours prior to loan closing.

I authorize Lender and Escrow Officer to close my loan (record the security instrument) on any day that the county recorder's office is open to accept my security instrument for recordation. I agree to pay the extra interest disclosed above should my loan close on a Monday or on a day immediately following a Bank Holiday.

Borrower Date
Juan Ivan Gonzales

Borrower Date
Sandra Anna Gonzales

Borrower Date

Borrower Date

Borrower Date

Borrower Date

RESPA SERVICING DISCLOSURE

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RELATED RIGHTS. IF YOUR LOAN IS MADE, SAVE THIS STATEMENT WITH YOUR LOAN DOCUMENTS. SIGN THE ACKNOWLEDGMENT AT THE END OF THIS STATEMENT ONLY IF YOU UNDERSTAND ITS CONTENTS.

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

Transfer Practices and Requirements

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loan servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of transfer. The 15 day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you, upon the occurrence of certain business emergencies.

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

Complaint Resolution

Section 6 of RESPA (12 U.S.C. 2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a "qualified written request" to your loan servicer, your servicer must provide you with a written 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 the information regarding your request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or 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.

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

Damages and Costs

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.

Servicing Transfer Estimates

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:
 We are able to service your loan and we Will Will not Haven't decided whether to service your loan

2. For all the first lien mortgage loans that we make in the 12-month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between:

0 to 25% or [NONE] 26 to 50% 51 to 75% 76 to 100% or [ALL]

This estimate does does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

3. We have previously assigned, sold or transferred the servicing of first lien mortgage loans.
This information does does not include assignments, sales or transfers to affiliates or subsidiaries.

Date _____

- Present Servicer or Lender

ACKNOWLEDGEMENT OF MORTGAGE LOAN APPLICANT

I/We have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below. I/We understand that this acknowledgement is a required part of the mortgage loan application.

HUD-1 SETTLEMENT STATEMENT

| | | | |
|---|---|---|--|
| A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | SETTLEMENT STATEMENT | |
| B. TYPE OF LOAN | | 6. File Number 7-77777 | 7. Loan Number BBO077777GW |
| | | 8. Mortgage Insurance Case Number | |
| 3. <input type="checkbox"/> CONV. UNINS. | 1. <input type="checkbox"/> FHA 4. <input type="checkbox"/> VA | 2. <input type="checkbox"/> FmHA 5. <input type="checkbox"/> CONV. INS. | |
| <i>C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.</i> | | | |
| D. NAME AND ADDRESS OF BORROWER: JUAN IVAN GONZALES, SANDRA ANNA GONZALES P.O. BOX 5643 Any City, CA 95555 | | E. NAME AND ADDRESS OF SELLER: | |
| G. PROPERTY LOCATION: 5717 Foster Ave Any City, CA 95555 | | F. NAME AND ADDRESS OF LENDER: HARD MONEY LENDER, INC. 100 South First Street Suite 206 Burbank, CA 90502 | |
| | | H. SETTLEMENT AGENT: NAME, AND ADDRESS City Escrow Company, Inc. 22254 Vermont Ave Torrance, CA 90604 | |
| | | PLACE OF SETTLEMENT: | I. SETTLEMENT DATE: May 30, 20XX |

| J. SUMMARY OF BORROWER'S TRANSACTION | |
|--|-------------------|
| 100. GROSS AMOUNT DUE FROM BORROWER: | |
| 101. Contract sales price | |
| 102. Personal property | |
| 103. Settlement charges to borrower(line 1400) | 97,183.39 |
| 104. Loan to be Paid off | 149,291.61 |
| 105. | |
| <i>Adjustments for items paid by seller in advance</i> | |
| 106. City/town taxes | to |
| 107. County taxes | to |
| 108. Assessments | to |
| 109. | |
| 110. | |
| 111. | |
| 112. | |
| 120. GROSS AMOUNT DUE FROM BORROWER | 246,475.00 |

| K. SUMMARY OF SELLER'S TRANSACTION | |
|--|----|
| 400. GROSS AMOUNT DUE TO SELLER: | |
| 401. Contract sales price | |
| 402. Personal property | |
| 403. | |
| 404. | |
| 405. | |
| <i>Adjustments for items paid by seller in advance</i> | |
| 406. City/town taxes | to |
| 407. County taxes | to |
| 408. Assessments | to |
| 409. | |
| 410. | |
| 411. | |
| 412. | |
| 420. GROSS AMOUNT DUE TO SELLER | |

| 200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER: | |
|--|-------------------|
| 201. Deposit of earnest money | |
| 202. Principal amount of new loan(s) | 246,400.00 |
| 203. Existing loan(s) taken subject to | |
| 204. | |
| 205. | |
| 206. | |
| 207. | |
| 208. | |
| 209. | |
| <i>Adjustments for items unpaid by seller</i> | |
| 210. City/town taxes | to |
| 211. County taxes | to |
| 212. Assessments | to |
| 213. | |
| 214. | |
| 215. | |
| 216. | |
| 217. | |
| 218. | |
| 219. | |
| 220. TOTAL PAID BY/FOR BORROWER | 246,400.00 |

| 500. REDUCTIONS IN AMOUNT DUE TO SELLER: | |
|---|----|
| 501. Excess deposit (see instructions) | |
| 502. Settlement charges to seller (line 1400) | |
| 503. Existing loan(s) taken subject to | |
| 504. Payoff of first mortgage loan | |
| 505. Payoff of second mortgage loan | |
| 506. | |
| 507. | |
| 508. | |
| 509. | |
| <i>Adjustments for items unpaid by seller</i> | |
| 510. City/town taxes | to |
| 511. County taxes | to |
| 512. Assessments | to |
| 513. | |
| 514. | |
| 515. | |
| 516. | |
| 517. | |
| 518. | |
| 519. | |
| 520. TOTAL REDUCTION AMOUNT DUE SELLER | |

| 300. CASH AT SETTLEMENT FROM/TO BORROWER | |
|--|------------|
| 301. Gross amount due from borrower(line 120) | 246,475.00 |
| 302. Less amounts paid by/for borrower(line 220) | 246,400.00 |

| 600. CASH AT SETTLEMENT TO/FROM SELLER | |
|--|--|
| 601. Gross amount due to seller (line 420) | |
| 602. Less reductions in amount due seller (line 520) | |

| | |
|------------------------------------|-------|
| 303. CASH (☑ FROM) (☐ TO) BORROWER | 75.00 |
|------------------------------------|-------|

| | |
|----------------------------------|------|
| 603. CASH (☑ TO) (☐ FROM) SELLER | 0.00 |
|----------------------------------|------|

| L. SETTLEMENT CHARGES | | | | | PAID FROM BORROWER'S FUNDS AT SETTLEMENT | PAID FROM SELLER'S FUNDS AT SETTLEMENT |
|--|----|--------------------------------|---------------|--|---|---|
| 700. TOTAL SALES/BROKER'S COMMISSION based on price \$ | @ | %= | | | | |
| <i>Division of Commission (line 700) as follows:</i> | | | | | | |
| 701. \$ | to | | | | | |
| 702. \$ | to | | | | | |
| 703. Commission paid at Settlement | | | | | | |
| 704. | | | | | | |
| 800. ITEMS PAYABLE IN CONNECTION WITH LOAN | | | | | | |
| 801. Loan Origination Fee | % | | | | | |
| 802. Loan Discount | | % | | | | |
| 803. Appraisal Fee | | to | | | | |
| 804. Credit Report | | to | | | | |
| 805. Lender's Inspection Fee | | | | | | |
| 806. Mortgage Insurance Application Fee to | | | | | | |
| 807. Assumption Fee | | | | | | |
| 808. | | | | | | |
| 809. | | | | | | |
| 810. | | | | | | |
| 811. | | | | | | |
| 900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE | | | | | | |
| 901. Interest from | to | @ \$ | /day | | | |
| 902. Mortgage Insurance Premium for | | | months to | | | |
| 903. Hazard Insurance Premium for | | | years to | | | |
| 904. | | | years to | | | |
| 905. | | | | | | |
| 1000. RESERVES DEPOSITED WITH LENDER | | | | | | |
| 1001. Hazard Insurance | | months @ \$ | per month | | | |
| 1002. Mortgage insurance | | months @ \$ | per month | | | |
| 1003. City property taxes | | months @ \$ | per month | | | |
| 1004. County property taxes | | months @ \$ | per month | | | |
| 1005. Annual assessments | | months @ \$ | per month | | | |
| 1006. | | months @ \$ | per month | | | |
| 1007. | | months @ \$ | per month | | | |
| 1008. Aggregate Adjustment | | months @ \$ | per month | | | |
| 1100. TITLE CHARGES | | | | | | |
| 1101. Settlement or closing fee | | to | | | | |
| 1102. Abstract or title search | | to | | | | |
| 1103. Title examination | | to | | | | |
| 1104. Title insurance binder | | to | | | | |
| 1105. Document preparation | | to | | | | |
| 1106. Notary fees | | to | | | | |
| 1107. Attorney's fees | | to | | | | |
| | | (includes above items numbers; |) | | | |
| 1108. Title Insurance | | to | | | | |
| | | (includes above items numbers; |) | | | |
| 1109. Lender's coverage | | \$ | | | | |
| 1110. Owner's coverage | | \$ | | | | |
| 1111. | | | | | | |
| 1112. | | | | | | |
| 1113. | | | | | | |
| 1200. GOVERNMENT RECORDING AND TRANSFER CHARGES | | | | | | |
| 1201. Recording fees: Deed \$ | | ; Mortgage \$ | ; Releases \$ | | | |
| 1202. City/county tax/stamps: | | Deed \$ | ; Mortgage \$ | | | |
| 1203. State tax/stamps: | | Deed \$ | ; Mortgage \$ | | | |
| 1204. | | | | | | |
| 1205. | | | | | | |
| 1300. ADDITIONAL SETTLEMENT CHARGES | | | | | | |
| 1301. Survey | | to | | | | |
| 1302. Pest inspection | | to | | | | |
| 1303. | | | | | | |
| 1304. | | | | | | |
| 1305. | | | | | | |

Final

SETTLEMENT STATEMENT U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ATTACHMENT

TITLE NUMBER (ESCROW): 7-77777
 BORROWER(S)
 JUAN IVAN GONZALES
 SANDRA ANNA GONZALES

PAGE:1
 SETTLEMENT DATE: 05/30/XX

LENDER: HARD MONEY LENDER, INC
 PROPERTY LOCATED AT: 5717 FOSTER AVE
 ANY CITY, CA 95555

 -PAGE 1-
 SUMMARY OF BORROWER'S TRANSACTION

| | | |
|---------------------------------|--------------|--------------|
| 104. LOAN TO BE PAID OFF | | \$149,291.61 |
| | \$147,197.22 | |
| Interest @ 30.28 per Diem | | |
| From 05/01/XX to 5/30/XX | 919.98 | |
| Recording Fees | 9.00 | |
| Statement /Forwarding Fee | 40.00 | |
| Escrow Overdraft | 1,125.41 | |

| | | |
|------------------------|--|----------------------------------|
| -PAGE 2- | | PAID FROM BORROWER'S FUNDS |
| DETAILED ESCROW FEES | | \$250.00 |
| Order Demand Statement | | 150.00 |
| Prepare Grant Deed | | 50.00 |
| Federal Express | | 50.00 |