

First Western Mortgage, Inc.

Mortgage Loan Origination Agreement *And* Loan Application Disclosures & Notices

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Arizona Mortgage Broker License Number: BK-0905436

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Section I

LOAN APPROVAL PROCESS DISCLOSURE

Congratulations! You've made the right decision and Thank You for applying for a loan with First Western Mortgage, Inc., (First Western Mortgage). You are using the services of a professional full service mortgage company, we appreciate your confidence and look forward to serving you.

All mortgage companies and banks generally operate under the same guidelines, however many companies do not explain the approval process to their clients. We have found that we can eliminate much of the stress incurred when applying for and obtaining a home loan if we advise the borrower(s) at application what we will be asking for during the processing of the loan. We feel that the more educated our clients are concerning the mortgage approval process, the easier it is for them to complete the home buying process.

In the course of processing a typical mortgage loan application, certain verifications and credit checks are done and are a normal part of Loan Processing which lead to the Underwriting and Loan Approval.

Since Credit, Income, Employment, Liquid Assets and Liabilities are the basis for obtaining a loan approval, here are some important tips to remember:

1. Do Not Open or Incur Any New Credit Obligations From The Date Of Your Application Through The Close Of Your Escrow (COE).
Many times applicants fail to advise us of All of their debts, or will sometimes purchase new automobiles, furniture, and other items on credit. This **Will** cause your "Credit Picture" to change. These additional credit items often result in a Loan Application that was initially approved being turned down at a later date.
2. Do Not withdraw or transfer funds from any accounts, other than routine transactions. Typically Deposits other than your normal paycheck(s) will have to be documented with a paper trail (Source of Funds).
3. Any funds to be used in a Purchase or Refinance transaction must be kept in a verifiable institution.
4. Do Not Change jobs until After your Close Of Escrow (COE). Many Investors obtain an updated Verification Of Employment (VOE) on the day Prior to Close Of Escrow.
5. Keep all Pay Stubs and statements from, Checking, Savings, Credit Cards, Money Market, Stocks, Bonds, Mutual Funds, IRAs, 401Ks, etc.. Keep track of all deposits into your bank accounts. If a deposit(s) other than your normal paycheck(s) is made, we will need you to document that transaction (Source of Funds).
6. If we are using Overtime and/or Bonus income to help qualify you, we may need a letter from your employer on their letterhead stating the Overtime and/or Bonus income is ongoing and likely to continue.
7. Funds for Closing Must be Available and Verifiable Prior to your Close Of Escrow (COE), Conventional underwriting guidelines typically will require that those funds have been in a verifiable institution for at least 3 months (seasoning).
8. Always plan on paying your current credit obligations on time. Do Not let anyone tell you that "you do not have to make that payment".
9. Many Investors will obtain an updated Title Report on the day Prior to Close Of Escrow. If any additional liens that have been recently placed on the subject property, the lender can and will Revoke a prior Approval.
10. If your Loan is for a home purchase First Western Mortgage recommends that you get Credit Approval before signing a Purchase Contract. A Credit Approval is a Full Loan Approval, less Property and Appraisal. Ideally, we recommend that you not make any "concrete" timetable plans (e.g., moving van) until the loan has funded and recorded. If this is impractical, then at a minimum let us obtain Full Loan and Property Approval for you prior to making such plans, and always stay in close contact with your Loan Officer and Processor as you are trying to make such plans.
11. In addition to any lost opportunities regarding Refinance transactions, Cancellation of a loan approval regarding a Purchase transaction may also lead to you losing your deposit and may cost you additional funds.

B/C & Sub-Prime Investors

Sub-Prime Investor financing or B/C paper Investors offer a great service to the borrowing community and clearly provide viable and worthwhile alternatives when Borrowers are unable to obtain Conventional financing. They will approve loans that often times no one else will. It was just a few years ago that this was not even an option. If you did not meet the conventional criteria you were not able to buy a house.

These lenders do operate somewhat differently than conventional lenders and Interest Rates and Terms vary widely. Sub-Prime loan products are much more "forgiving" compared to Conventional underwriting standards, however that flexibility and increased risk is often subsidized by a Higher Interest Rate and Pre-Payment Penalties.

If for any reason we are unable to obtain conventional financing for you and Sub-Prime products appear to be the answer we will notify you immediately to discuss your options with you.

Loan Approvals

Loan Approvals are always "conditional". This means that the loan will be approved if the borrower supplies the requested conditions and those conditions meet the Lenders satisfaction. However, at anytime during the process the lender has the right to add or change conditions. Although rare, this could happen even after the borrower has gone to signing and brought their money to closing.

Please bear in mind that there are so many different Loan Programs available, and all of these different Loan Products have different qualifying criteria. First Western Mortgage will try to find the best Loan Product to suit your needs. If you have an unusual situation please be patient and remember your First Western Mortgage Loan Officer and Processor are working for you.

If Anything occurs that may change your Initial Transaction or Financial situation, or if you have Any questions regarding your Transaction / Situation, Please call us to find out exactly how to proceed prior to taking any action.

Initials: B: _____ CB: _____

Section II

MORTGAGE LOAN ORIGATION AGREEMENT

Borrower(s) Name: _____

Subject Property Address: _____

The above named Borrower(s) enter into this Mortgage Loan Origination Agreement ("Agreement") requesting First Western Mortgage, Inc. ("First Western Mortgage"), an Arizona Corporation, to act on their behalf in securing a Mortgage ([Purchase Money] [Refinance] [Second Mortgage] [Equity Line]) Loan Commitment. The Mortgage Loan will be secured by a Mortgage or Deed of Trust or any Lien Interest on the Subject Property. First Western Mortgage is a licensed Mortgage Broker (License MB-0905436), regulated by the State of Arizona, Arizona State Banking Department. In some instances First Western Mortgage may not provide the actual funds, the actual funds may be provided by other entities, the availability of which may vary.

1) Borrower's Certification

I / We have applied for a mortgage loan from **First Western Mortgage**. In applying for the loan, I / We have completed a loan Application containing various information for the purpose of the loan, the amount and source of down payment, employment and Income information, and assets and liabilities.

I / We certify that all information is true and complete. I / We have made no misrepresentations in the loan application or other documents, nor did I / We omit any pertinent information. I / We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.

2) Nature Of Relationship

In connection with this Mortgage Loan, we are acting as an Independent Contractor and not as your agent. However, First Western Mortgage will act on a Best Efforts Basis to assist you in meeting your financing needs. We will enter into separate Agreements with various Investors, and we may not distribute the products of all Investors in the market.

3) Commitment

First Western Mortgage hereby Agrees to act on behalf of the Borrower to secure a Mortgage Loan Commitment. First Western Mortgage Cannot Guarantee Acceptance into Any Particular Loan Program or Promise that Any Specific Loan Terms or Conditions Will Be Obtained. A Commitment may, however be passed through to the Borrower if received from an Investor. The term "Commitment" shall mean a Written Commitment received by First Western Mortgage.

4) Services Provided

Services provided by First Western Mortgage in the performance of it's duties may include, but are not limited to: Interviewing Borrower(s) and evaluating their credit and financial situation, Assembling Information, Completing Loan Application for Borrower(s), Compiling File.

Processing the Loan Application File may include but is not limited to: Verification of information received, verifying and ordering updated financial statements, ordering vendor reports, preparation and submission of completed file for conditional loan commitment, clearing of underwriting conditions to ensure successful preparation of closing documents, reviewing of closing instructions, and managing and directing actions to setup a Loan Closing, and clearing of any Post-Closing conditions to ensure a successful funding of the Loan.

5) Our Compensation

In Addition to any Fees paid by Borrower(s), First Western Mortgage may receive compensation from an Investor through a Wholesale Arrangement for their Loan Products, or we may broker your loan to another lender. If so, Mortgage Broker Compensation may be paid by the Lender to First Western Mortgage for this transaction. The amount determined for this compensation will be reasonable based on the facts and circumstances with your individual transaction. This compensation may be termed "Yield Spread Premium", "Rebate", or the like. This compensation is paid to us because we have saved the Lender the cost of hiring additional staff, leasing additional facilities and purchasing additional furniture, fixtures and equipment that would be needed to obtain this loan, as well as providing the Lender a Complete Loan Package which may include, but is not limited to: a 1003 application, any required forms, documentation, verifications, property appraisals, credit reports, pre-qualification analysis, or other Goods, Facilities or Services, etc.

6) Interest Rate and Fees

If you would rather Pay a Lower Interest Rate, you may Pay Higher Up-Front Fees; if you Pay Less Up Front, you may Pay a Higher Interest Rate. We can discuss this with you and show you alternatives. Of course any successful loan scenario is dependent on many factors as well as the Borrower(s) ability to qualify for that specific loan scenario.

Section III

OCCUPANCY CERTIFICATION

The Undersigned, having applied for a loan to be secured by a Mortgage or Deed Of Trust on the referenced property, certifies as follows (Check One):

- Principal Residence:** The property will be occupied by me/us as our **Primary Residence**, occupied by Borrower(s) within 30 days of closing
- Second Home:** The property will be a **Second Home** used in addition to my/our primary residence. Any rental income from the property may not be used to qualify for the mortgage application.
- Investment Property:** This property will not be occupied by me/us and will be considered strictly an **Investor Unit**.

I / We fully understand that this certification is made for the purpose of determining eligibility, applicable interest rate, and fees associated with this loan. I / We fully understand that it is a Federal Crime punishable by fine or imprisonment, or both to knowingly make any false statements concerning the above representation as it applies to Federally insured or guaranteed loans under the provisions of Title 18, United States Code Section 1014.

Initials: B: _____ CB: _____

Section IV**BORROWER INFORMATION NOTIFICATION**

As a prerequisite to begin the processing of any loan file the Applicant(s) must complete a Loan Application including any additional supporting documentation that First Western Mortgage may request in order to obtain an underwriting decision.

- 1) The following information may affect the processing of your loan as to the Loan Amount, Interest Rate and Approval or Denial of the Loan. Such examples may not be known by the First Western Mortgage at the time of application, and include but are not limited to:
 - a) An Appraisal Value different from that estimated by the Borrower(s);
 - b) Credit Scoring and/or reported Consumer Credit obligations disclosed and/or not disclosed by the Borrower(s).
 - c) Among the items considered when evaluating the Borrower's request for a loan may be credit a score(s), based upon a credit report.
 - d) First Western Mortgage has no liability to the Borrower(s) if the credit score(s) contains errors or is inaccurate and Borrower(s) is unable to resolve such errors or delete the inaccurate information. Resolution of errors or deletion of inaccurate information in Borrower's credit report is solely the responsibility of Borrower(s).
 - e) A Change in the Borrower(s) financial circumstances which would result in his or her ineligibility for the loan. Regardless of whether or not loan documents have been signed, if First Western Mortgage discovers a material change in the information provided with respect to the loan, including but not limited to, the borrowers' income, employment, credit or the property, First Western Mortgage shall not be obligated to fund the loan.
 - d) A Change in the Investor's guidelines during loan processing, and/or other circumstances which may prevail, affecting Licensee, Investor or Borrower(s).
 - e) Incomplete, yet required construction, tests or repairs prior to loan closing, or property not suitable for occupancy. The Borrower(s) must obtain all required inspections or certifications by applicable and appropriate authorities prior to loan closing. These may include, but are not limited to, wood-destroying insect inspection, repair and abatement, radon test, well water or septic system acceptance, local occupancy or use permits and repairs required by the appraiser as a valuation condition.
 - f) If this Loan Application covers a purchase transaction, the sale must close with each party paying costs and expenses as specified in the copy of the purchase agreement supplied to First Western Mortgage. Any changes in such purchase agreement must be approved by the First Western Mortgage and/or their Investor prior to closing.
 - g) The Investor may require an impound/escrow account for the payment of property taxes and insurance, unless prohibited by applicable law.
 - h) Upon loan closing, First Western Mortgage or their Investor must receive a valid first or second lien mortgage on the property, as specified in the loan application, with title insurance in the amount and form acceptable to the Investor. Title must be clear, without defects unacceptable to the Investor.
- 2) First Western Mortgage agrees to use all reasonable efforts to fund the loan prior to your Close Of Escrow (COE) Target Date. However, this Agreement is not a commitment to close and fund the loan prior to the expiration date. Delays may happen due to a variety of circumstances. Such circumstances include, but are not limited to, unforeseeable or extraordinary events, delays in receipt or failure to receive various required information, documents or fees from either the Borrower(s) or third parties, government action or inaction and acts of God. First Western Mortgage agrees to exercise reasonable efforts to obtain third-party documentation.
- 3) Listed below are those Exhibits and Materials you should receive or be receiving in connection with your Residential Mortgage Loan Application with First Western Mortgage.
 - a) A Good Faith Estimate of the costs that will be paid in connection with the financing pursuant to Regulation Z (12CFR 226) for both First and Second lien positions, as well as a Good Faith Estimate of amount and nature of charges, and charges to seller. Section 450.1320 (b) of this part. The Estimated "Third Party" Costs stated may be expressed as a range of possible costs and can be charged only when such costs have actually been incurred in connection with securing the Loan or Loan Commitment.
 - b) An Estimated Truth-in-Lending Disclosure Statement pursuant to Section 226.18 of the Truth-in-Lending Act (Regulation Z);
 - c) A RESPA Servicing Disclosure Statement pursuant to Section 6 of RESPA ("Page 5" of this Document).
 - d) A Settlement Cost Booklet as required by Federal Law (Real Estate Settlement Procedures Act, 12 U.S.C. 2601 et seq.), that describes the settlement process.
 - e) If the mortgage is an Adjustable Rate Mortgage representing a first-lien position with respect to the security real estate, the

Section V**GOVERNMENT LOANS**

If the loan is an FHA or VA loan, the Borrower(s) understands that the First Western Mortgage will attempt to obtain mortgage insurance from the Department of Housing and Urban Development ("HUD") or a loan guaranty from the Department of Veterans Affairs ("VA"), as applicable.

The Borrower(s) also understands that the ability of HUD or VA to issue the insurance or guaranty may be suspended or curtailed as a result of Congressional or Presidential actions or inaction. Such action or inaction may include, for example, the failure to enact a Federal budget by a particular date or to enact legislation which provides the necessary agency funding.

Notwithstanding anything herein to the contrary, the First Western Mortgage may elect to cease processing and/or funding FHA and VA loans in the event the ability of HUD or VA to issue the insurance or guaranty is suspended or curtailed.

Initials: B: _____ CB: _____

Section VI**EQUAL CREDIT OPPORTUNITY ACT**

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the bases of race, color, religion, national origin, sex, marital 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.

Income which you receive as alimony, child support or separate maintenance need not be disclosed to First Western Mortgage unless you choose to rely on such sources to qualify for the loan. Income from these and other sources, including part-time or temporary employment, will not be discounted by First Western Mortgage and/or Investor because of your sex or marital status.

Having made this disclosure to you, we are permitted to inquire if any of the income shown on your application is derived from such a source and to consider the likelihood of consistent payment as we do with any income on which you are relying to qualify for the loan for which you are applying. The Federal Agency that administers compliance with this law is:

FEDERAL TRADE BOARD
 EQUAL CREDIT OPPORTUNITY
 20TH STREET AND CONSTITUTION AVENUE, NORTHWEST
 WASHINGTON, D.C. 20551

Section VII**FAIR CREDIT REPORTING ACT**

An investigation will be made as to the credit standing of all individuals seeking credit in this application. The investigation will include verification or re-verification of any information contained in the application and may be performed at any time by First Western Mortgage, its agents, successors and assigns, either directly or through a credit reporting agency, from any source named in the application. The nature and scope of any investigation will be furnished to you upon written request made within a reasonable period of time.

In the event of denied credit due to an unfavorable consumer report, you will be advised of the identity of the Consumer Reporting Agency making such report and of the right to request within sixty (60) days the reason for the adverse action, pursuant to provisions of Section 615(b) of the Fair Credit Reporting Act. The Federal Agency that administers compliance with this law is:

CONSUMER RESPONSE CENTER
 FEDERAL TRADE COMMISSION
 WASHINGTON, D.C. 20580

Section VIII**RIGHT TO FINANCIAL PRIVACY ACT
 Government Loans Only**

This is notice to you as required by the Right to Financial Privacy Act of 1978 that the Department of Housing and Urban Development has a right of access to financial records held by Lender in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to this government agency without further notice to or authorization from you, but will not be disclosed or released to another government agency or department without your consent except as required or permitted by law.

FHA Loans Only

If You Prepay Your Loan on Other than the Regular Installment Date, You May Be Assessed Interest Charges until the End of the Month.

Section IX**FLOOD INSURANCE NOTICE**

Federal regulations require the Lender to inform you, at least ten (10) days prior to closing, if the subject property is located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards and that in the event of damage to the property caused by flooding in a Federally-declared disaster, Federal disaster relief assistance, if authorized, will be available for the property.

The Lender may charge a reasonable fee for the cost of determining whether the property is located in a special flood hazard area.

Flood Insurance coverage acceptable to Lender will be required if the property is in a special flood hazard area; if so, you must maintain flood insurance acceptable to Lender at your expense.

Section X**NOTICE OF RIGHT TO RECEIVE COPY OF APPRAISAL**

You have the right to receive 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 It.

Appraisals are prepared by independent professional appraisers for First Western Mortgage's use in substantiating value in support of your application. Appraisers must meet certain requirements before their reports are accepted by First Western Mortgage. However, First Western Mortgage's acceptance of an appraiser's report is not an endorsement of either the appraiser or the appraisal report.

An appraisal is not a guarantee of either the value or condition of the property, and First Western Mortgage assumes no responsibility for the accuracy of the information contained in the appraisal report. Homeowners and Homebuyers are advised to procure the services of a structural engineer, house inspection service, or contractor to inspect the property for condition defects.

If an appraisal is obtained, and you have paid for it, you must submit a written request (Please include signature and date) for a copy of your Appraisal to:

First Western Mortgage
 Attention: Customer Service Department
 6268 S. Kings Ranch Road ? Suite 2
 Gold Canyon, Arizona 85218

Initials: B: _____ CB: _____

Section XI

MORTGAGE ESCROW ACCOUNT ADMINISTRATION

Typical Practices Of Mortgage Lenders On The Administration Of Escrow Accounts

1. Definitions

- (a) "Escrow Account" means any account established by the mortgage lender in conjunction with a mortgage loan on a residence, into which the borrower is required to make regular periodic payments and out of which the lender pays the taxes and/or Hazard/Flood insurance on the property covered by the mortgage.
- (b) "Borrower" means the person obligated under the loan.
- (c) "Mortgage Lender" means any bank, savings and loan association, building and loan association, or other institution, association, partnership, corporation, or person who extends the loan of monies for the purpose of enabling another to purchase or refinance a residence.
- (d) "Escrow-Like Arrangement" means any arrangement, the intent of which is to serve the same purposes as an escrow account but which does not require the formal establishment of an account.

2. Escrow Accounts or Escrow-Like Arrangements established in conjunction with mortgage agreements for single family owner occupied residential property are usually declared separate and distinct transactions from mortgages, and hence, may be subject to laws and regulations.

3. When the mortgage is reduced to seventy eight percent (78%) of its original amount by payments of the borrower, timely made according to the provisions of the loan agreement secured by the mortgage, and the borrower is otherwise not in default on the loan agreement, the mortgage lender must notify the borrower that he may terminate such escrow account or that he may elect to continue it until he requests a termination thereof, or until the mortgage is paid in full, whichever occurs first.

4. In lieu of the mortgage lender establishing an escrow account or an escrow-like arrangement, a borrower may be able to pledge an interest bearing time deposit savings account with the mortgage lender in an amount sufficient to secure the payment of anticipated taxes.

5. The borrower may not have the right to terminate any such arrangement under Section 3 in conjunction with mortgages insured, guaranteed, supplemented, or assisted by the State of Arizona or the Federal Government that require an escrow-like arrangement for their continuation.

6. If after terminating an escrow arrangement the borrower does not furnish to the lender sufficient evidence of payment of the taxes when due on the residence covered by the mortgage with respect to which the escrow arrangement was established, the lender, after taking reasonable good faith steps to verify nonpayment, may, within thirty (30) days after such payment is due, establish or reestablish an escrow arrangement.

7. Escrow Account provisions are usually not applicable to a mortgage lender using the capitalization method of accounting for receipt of payment for taxes. The capitalization method shall mean crediting such payments directly to the loan principal upon receipt and increasing the loan balance.

8. Notice of Escrow Account requirements, if any, shall be furnished in writing to the borrower at the date and time of closing.

~~✗ I / We having read the above hereby elect to establish an escrow account.~~

~~✗ I / We having read the above elect to waive all escrows.~~

~~✗ I / We having read the above hereby elect to pledge a time deposit in lieu of establishing a real estate tax escrow account~~

Section XII

INSURANCE STATEMENT

As of the date of closing, the Borrower(s) must obtain hazard insurance on the property covering the replacement cost of the dwelling with an insurance carrier acceptable to First Western Mortgage and/or their Investor.

If the property is determined to be located in a special flood hazard area, flood insurance will be required.

If the property includes commonly owned area, a master policy insurance certificate will be required. Insurance against additional perils, including but not limited to earthquake, may also be required.

The insurance Laws in this State provide that the Lender may not require the Borrower(s) to take insurance through any particular insurance agent or company to protect the mortgaged property. The Borrower(s) subject to the rules adopted by the Insurance Commissioner have the right to have the insurance placed with an insurance agent or company of his choice, provided the company meets the requirements of the Lender. The Lender has the right to designate reasonable financial requirements as to the company and the adequacy of the coverage.

I have read the foregoing statement, or the rules of the Insurance Commissioner thereto, and understand my rights and privileges, and those of the Lender relative to the placing of such insurance.

I have selected the following Agency to write the insurance policy covering the subject property stated above:

Insurance Company: _____ Agent's Name: _____

Agent's Address: _____

Agent's Phone: _____

Initials: B: _____ CB: _____

NOTICE TO MORTGAGE LOAN APPLICANTS

*The Right To Collect Your Mortgage Loan Payments May Be Transferred. Federal Law Gives You Certain Related Rights.
Read This Statement And Sign It Only If You Understand It's Contents*

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. Section 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 the 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 under certain limited circumstances, when your servicer is changed abruptly. This exception applies only if your servicer is fired for cause, is in a bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by a Federal Agency.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, 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 servicers late, and a late fee may not be imposed on you.

Complaint Resolution

Section 6 of RESPA (12 U.S.C. Section 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 concerning the servicing of your loan, your servicer must provide you with a written acknowledgment within 20 Business Days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reason for the 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 the 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, excluding public holidays (State or Federal), Saturday and Sunday.

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 Estimated By Lender

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:

Currently, We Do Not Service Mortgage Loans and We Presently Intend to Assign, Sell or Transfer the Servicing of Your Mortgage. You Will Be Informed about Your Servicer in Accordance with RESPA.

OR

We May Assign, Sell or Transfer the Servicing of Your Mortgage Loan Sometime While the Loan Is Outstanding.

We Are Able to Service Your Mortgage Loan and We: Will Will Not Haven't Decided Whether to Service Your Loan.

2. For all the mortgages 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 to 100%. This Estimate includes assignments, sales or transfers to ~~affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other~~

Section XIV**ATTENTION BORROWERS: KNOW YOUR RIGHTS!**

This may be the largest and most important loan you get during your lifetime.
You should be aware of certain rights before you enter into any loan agreement.

1. You have the RIGHT to shop for the best loan for you and compare the charges of different mortgage brokers and lenders
2. You have the RIGHT to be informed about the total cost of your loan including the interest rate, points, and other fees.
3. You have the RIGHT to ask for a Good Faith Estimate of all loan and settlement charges before you agree to the loan and pay any fees.
4. You have the RIGHT to know what fees are not refundable if you decide to cancel the loan agreement.
5. You have the RIGHT to ask your mortgage broker to explain exactly what the mortgage broker will do for you.
6. You have the RIGHT to know how much the mortgage broker is getting paid by you and the lender for your loan.
7. You have the RIGHT to ask questions about charges and loan terms that you do not understand.
8. You have the RIGHT to a credit decision that is not based on your race, color, religion, national origin, sex, marital status, age, or whether any income is from public assistance.
9. You have the RIGHT to know the reason if your loan was turned down.
10. You have the RIGHT to ask for the HUD Settlement Costs Booklet "Buying Your Home".

Initials: B: _____ CB: _____

Section XV

AGREEMENT FOR ARBITRATION OF DISPUTES

Maintaining good relationships with our loan applicants and borrowers is very important to us. First Western Mortgage, Inc., an Arizona corporation (“we, “our” or “us”) requests the person(s) named above (“you”) to contact us immediately if you have a problem with a loan application or loan transaction with us.

Often a telephone call to us will resolve the matter amicably and as quickly as possible. However, if you and we are not able resolve our differences informally, you and we agree that any dispute, regardless of when it arose, shall be settled, at your option or ours, by arbitration in accordance with this Agreement. Judgement on the arbitrator’s award may be entered in any court having jurisdiction. This Agreement shall also apply to any dispute with our agents, successors or assigns.

This Agreement is made in consideration of our processing of your inquiry or application for a loan secured by the property identified above (“Loan”) at the interest rate(s) that you have been or will be quoted. If your application is approved and the loan is funded, this Agreement is also made in further consideration of our funding or obtaining funding of the loan at the interest rate(s) referenced in the loan documents. This Agreement is effective and binding on both you and us when you sign below.

If you have any questions, you should consult your own lawyer before you sign this agreement.

Dispute: For purposes of this Agreement, a dispute is any claim or controversy of any nature whatsoever arising out of or in the way related to the loan; the arranging of the loan; any application; inquiry or attempt to obtain the loan; any loan documents; the servicing of the loan; or any other aspect of the loan transaction. It includes, but is not limited to, federal or state contract, tort, statutory, regulatory, common law and equitable claims. A dispute does not include those items described in the paragraph labeled “Exceptions,” below.

Arbitration: Arbitration is a means of having an independent third party resolve a dispute. Either you or we can request that a dispute be submitted to arbitration. Either you or we can do this before a lawsuit (which is usually initiated by the filing of a “complaint”) has been served or within 60 days after the complaint, an answer, a counterclaim or an amendment to a complaint has been served.

Each arbitration, including the selecting of the arbitrator, will be administered by the American Arbitration Association (the “AAA”) pursuant to it’s Commercial Arbitration Rules. Each arbitration will be governed by the Federal Arbitration Act (Title 9 of the Unites States Code). To find how it initiate an arbitration, simply call any office of the AAA for more information. You can find the telephone number of the AAA by looking in a telephone book or by calling directory assistance.

If either party, you or we, fails to submit to arbitration following a proper demand to do so, that party shall bear all costs and expenses, including reasonable attorney’s fees, incurred by the other party compelling arbitration. In all other situations, each party, you and we, shall each bear it’s own costs and expenses, including all attorney’s fees, that the party incurs with respect to the arbitration.

Only disputes involving you and us may be addressed in the arbitration. The arbitration may not address any dispute on a “class action” basis. This means that the arbitration may not address disputes involving other persons which may be similar to the disputes between you and us.

The arbitrator shall resolve all disputes according to applicable federal laws and the laws of the state where the property identified above is located (the “State”). The arbitrator shall have the authority to award any remedy or relief that a court in the State could not order or grant. The arbitrator, however, is not authorized to change or alter the terms of this Agreement.

Exceptions: The following are not disputes subject to this Agreement: (1) any judicial or non-judicial foreclosure proceeding against any real or personal property that serves as collateral for the loan, whether by the exercise of any power of sale under any deed of trust, mortgage, other security agreement or instrument or under applicable law, (2) the exercise of any self-help remedies (including repossession and setoff rights) and (3) provisional or ancillary remedies with respect to the loan or any collateral for the loan such as injunctive relief, sequestration, attachment, replevin or garnishment, the enforcement of any assignment of rents provisions in any loan documents, the obtaining of possession of any real property collateral for the loan by an action for unlawful retainer or the appointment of a receiver by a court having jurisdiction. This means that nothing in this Agreement shall limit your right or our right to take any of these actions. The institution and/or maintenance of any action or remedy described in this paragraph shall not constitute a waiver of your rights or our right to arbitrate any dispute subject to this Agreement.

Statues of Limitation: All statues of limitations that are applicable to any dispute shall apply to any arbitration between you and us.

Severability: If any provision of this Agreement or the application if any provision if this Agreement to any person, place or circumstance shall be determined to be invalid, unenforceable or void, the remainder of this Agreement, and the remainder of those provisions of this Agreement as applied to other persons, places and circumstances, shall remain in full force and effect.

Initials: B: _____ CB: _____

Section XVI

ADVANCE FEES AGREEMENT

Please Read Carefully

The following **Application Fee** is being charged in connection with the processing of your Loan Application and Services Provided. The amount may vary depending on your specific financing needs, loan product and complexity. The Loan Application Fee will be applied towards costs associated with the processing of your Loan Application, which costs may exceed the amount of the advance fee collected. It is **Non-Refundable** and subject to applicable limitations of State and/or federal Law.

Services provided by First Western Mortgage in the performance of its duties may include, but are not limited to: Interviewing Borrower(s) and evaluating their credit and financial situation, Assembling Information, Completing Loan Application for Borrower(s), Compiling File.

Processing the Loan Application File may include but is not limited to: Verification of information received, verifying and ordering updated financial statements, ordering and evaluating vendor reports, which may include a credit report, commitment for title insurance, and property appraisal, preparation and submission of completed file for conditional loan commitment, clearing of underwriting conditions to ensure successful preparation of closing documents, reviewing of closing instructions, and managing and directing actions to setup a Loan Closing, and clearing of any Post-Closing conditions to ensure a successful funding of the Loan.

Other fees not shown here may be payable later and are shown on the "Good Faith Estimate" of Closing Costs.

Total Application Fee: \$ _____ This is the Total Application Fee we estimate will be required.

_____ If this Box is "checked and initialed" by the Loan Officer, the Application Fee Deposit Amount will be applied towards the costs associated with the processing of your Loan Application and Services Provided, or Retained in lieu of charging you for the Appraisal, Credit Report, or other fee.

1. Received: \$ _____ on _____ in the form of: Cash Check (# _____) Credit Card
(Complete Authorization Form)

If the amount received at this time (the date of this disclosure) is insufficient, any additional Application Fees received at a later date are subject to the same terms described in this Section. First Western Mortgage does not make a practice of collecting an Advance Fee specifically for Credit Reports and Property Appraisals, and does not earmark funds as such.

2. Received: \$ _____ on _____ in the form of: Cash Check (# _____) Credit Card
(Complete Authorization Form)

Section XV

Acknowledgment

1. The undersigned Borrower(s) certify they have been furnished with:

a) **A Copy of the "1003 Loan Application"** or Equivalent Form that Will Have to be Signed and Delivered to the Investor in Order to Receive Due Consideration for a Loan Commitment.

I / WE Did Did Not Receive a copy of the "1003 Loan Application", however I understand that First Western Mortgage will Mail it to Me/Us within 3 Days of the Signing of the 1003 Application.

b) **A Copy of these "Mortgage Loan Origination Agreement & Loan Application Disclosures"**.

I / WE Did Did Not Receive a "Mortgage Loan origination Agreement & Loan Application Disclosures", however I understand that First Western Mortgage will Mail it to Me/Us within 3 Days of the Signing of the 1003 Application.

c) **A "Good Faith Estimate" of Settlement Costs**, which lists the charges the buyer is likely to pay at settlement. I understand that this is only an Estimate and the Actual Charges May Differ.

I / WE Did Did Not Receive a "Good Faith Estimate" of Settlement Costs at the time of Signing the 1003 Application, however I understand that First Western Mortgage will Mail it to Me/Us within 3 Days of the Signing of the 1003 Application.

d) **An Estimated "Truth-in-Lending" Disclosure Statement** pursuant to Section 226.18 of the Truth-in-Lending Act (Regulation Z)

I / WE Did Did Not Receive a "Truth-in-Lending" Disclosure Statement at the time of Signing the 1003 Application, however I understand that First Western Mortgage will Mail it to Me/Us within 3 Days of the Signing of the 1003 Application.

e) A RESPA "Servicing Disclosure Statement" pursuant to Section 6 of RESPA ("Page 4" of this Document)

f) A "Settlement Costs" Booklet as required by Federal Law (Real Estate Settlement Procedures Act, 12 U.S.C. 2601 et seq.), that describes the Settlement Process;

g) The "Consumer Handbook on Adjustable Rate Mortgages" if the mortgage is an adjustable rate mortgage representing a first-lien position with respect to the security real estate, as required by Federal Regulations (12CFR 535.33), that describes the special features of adjustable rate mortgages.

2. The signing of these Loan Application Agreements, Disclosures and Notices does not serve as a commitment, promise or representation that a loan can be obtained for the Borrower(s). First Western Mortgage shall incur no liability or assume any obligation regarding the making or failure to make said loan.

3. This Agreement contains the entire agreement between the parties and supercedes all prior agreements, arrangements, or understandings relating to the subject matter hereof. There are no written or oral agreements, understandings, representations, or warranties between the parties relating to the subject matter hereof other than those set forth in this Agreement.

I / WE having read these Loan Application Agreements, Disclosures and Notices, and Acknowledge, Understand and Agree to the Content, Terms and Conditions stated above, as evidenced by my / our signature(s) below.

Borrower Date Co-Borrower Date

