



FINANCE FACTORS

SERVICING DISCLOSURE STATEMENT

Date:

SERVICING DISCLOSURE STATEMENT NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS:
THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

Servicing Transfer Information:

We may assign, sell, or transfer the servicing of your loan while the loan is outstanding.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you:

When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

RIGHT TO REVIEW SETTLEMENT STATEMENT

You have the right to inspect the Closing Disclosure or the HUD-1 or HUD-1A settlement statement, whichever is applicable to your loan, the business day before settlement/closing. Please contact escrow or the lender to arrange for this inspection. If you do not make this request to inspect, then the document will be provided to you at settlement/closing.

DISCLOSURE ABOUT RIGHT TO RECEIVE A COPY OF APPRAISALS

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

FLOOD INSURANCE

If your property is in a Special Flood Hazard Area (SFHA), Flood Insurance Laws require a lender to ensure that there is sufficient flood insurance coverage before it makes a loan.

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 National Flood Insurance Program (NFIP), which is the lesser of:
 - (a) the limit available for the type of property: *or*
 - (b) the insurance value of the property.

Flood insurance coverage under the NFIP is limited to the building or mobile home and any personal property that secures your loan and not the land itself.

Flood Insurance Laws allow lenders to require more insurance than the minimum threshold. **FINANCE FACTORS, LIMITED** requires that for property currently in a SFHA or property that is later mapped into a SFHA, you obtain flood insurance in an amount at least equal to the lesser of: (i) the full replacement cost of the buildings or (ii) the maximum limit of coverage available under the Flood Insurance Laws, regardless of loan amount.

