



Loan Officer Statement (HELOC)

Loan Officer Resources

ResCapLender.com
877.568.7017

Borrower Information

ResCapInfo.com
866.344.8935

4870 Viewridge Ave. #100 • San Diego, CA 92123

Residential Capital maintains the high ethical standards for our industry, and as a company, we desire to make loans that are in the best interest of your borrowers. To this end, we require that you complete this brief statement for our files as a record of our due diligence on this transaction.

Re: Borrower(s) _____

1. I am negotiating this loan primarily in **(check one)***:

- English Chinese Vietnamese Other: _____
- Spanish Tagalog Korean

**If you are negotiating in a language other than English, please provide a copy of the Mortgage Loan Disclosure Statement in the language negotiated as required by California Civil Code 1632.*

2. I have evaluated refinancing my borrower into a new first loan and the best interest rate I can get them is _____% and it would probably cost them an estimated \$ _____ in commission, fees, costs and yield spread premium. It is less expensive overall to obtain the Residential Capital HELOC.

3. The borrower's existing 1st trust deed (mortgage) has an interest rate that is now at _____%.

4. I have chosen, upon consultation with my client, not to pursue a new first mortgage on their behalf because **(check all that apply)**:

- They only qualify for a hard money loan and it is less expensive for the HELOC
- They have a prepayment penalty on their 1st loan of approximately \$ _____ and it would not make sense to refinance it.
- The client likes the revolving line of credit feature of the HELOC and has made a cost comparison and has chosen this loan product over other loan products.
- This HELOC gives my client the ability to repair their credit and I can refinance them into a new, less expensive first loan once their score improves.
- Other: _____

5. I have stressed the importance to my borrower of making their first payment on time. **Not making the first payment on time will lead to an indefinite suspension of their line of credit.**

Initial Each Line below – Loan Officer and Borrower(s)

- ____ Borrower understands the critical nature of having money in the account they enrolled in our direct from checking program at the time their first payment is due.
- ____ Borrower understands that their line of credit may be suspended **indefinitely** if the first, or any subsequent payment is late.
- ____ Borrower understands that if their line of credit is suspended, they will have to submit proof they can support their current monthly payment before they may regain access to the line of credit.
- ____ Borrower understands the lender may begin the foreclosure process by recording a Notice of Default in as early as 45 days if a payment is late.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Loan Officer (print name)

Borrower Name (print name)

Loan Officer (signature)

Borrower (signature)

Date

Date