

**ACKNOWLEDGMENT
OF
VA FUNDING FEE REQUIREMENT**

A funding fee based on the loan amount and down payment is required by the Veterans Administration in accordance with the Deficit Reduction Act of 1984 on VA guaranteed loans closed on or after August 17, 1984, with the following exceptions:

- 1) Veterans received compensation for service disabilities;
- 2) Veterans who would be entitled to receive compensation if they were not receiving retirement pay;
- 3) Surviving spouses of veterans who died in service or from a service-connected disability.

Please acknowledge receipt of this notice and advise us of the method of payment of this fee by selecting one of the following:

_____ I agree to pay the funding fee from my own funds.

_____ I agree to pay the funding fee by adding it to my loan amount.

_____ I claim exemption from this requirement, citing exception number _____ and supporting documents are enclosed.

BORROWER

BORROWER

DATE

DATE



Department of Veterans Affairs

VERIFICATION OF VA BENEFIT-RELATED INDEBTEDNESS

PRIVACY ACT INFORMATION: This information is to be used by the agency collecting it in determining whether you qualify for the VA loan benefit. This information request is authorized by Title 38, U.S.C., Chapter 37. Responses may be disclosed outside VA only if the disclosure is authorized under the Privacy Act, including the routine uses identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records and Vendee Loan Applicant Records - VA, published in the Federal Register.

TO: NAME AND ADDRESS OF LENDER

INSTRUCTIONS TO LENDER

Complete Items 1 through 6. Have veteran complete Items 7 and 8. Forward to the Finance Officer (24) at the local VA office to determine whether the veteran has any VA benefit-related indebtedness. If a debt is found to exist, the home loan must not be closed until the veteran presents evidence showing that the debt has been cleared or an acceptable repayment plan has been established with VA. After completion by the Finance Officer, this form will be returned to the lender at the address shown. VA Form 26-8937 is a required exhibit to accompany home or manufactured home loans closed on the automatic basis and prior approval submissions.

1. NAME OF VETERAN (First, middle, last)		2. CURRENT ADDRESS OF VETERAN	
3. DATE OF BIRTH			
4. VA CLAIM FOLDER NUMBER (C-File No.)	5. SERVICE NUMBER	6. SOCIAL SECURITY NUMBER	

I HEREBY CERTIFY THAT I DO DO NOT have a VA benefit-related indebtedness to my knowledge. I authorize VA to furnish the information listed below.

7. SIGNATURE OF VETERAN	8. DATE SIGNED
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FOR VA USE ONLY

- The above named veteran does not have a VA benefit-related indebtedness
- The veteran has the following VA benefit-related indebtedness

VA BENEFIT-RELATED INDEBTEDNESS (If any)

TYPE OF DEBT(S)	AMOUNT OF DEBT(S)
	\$
	\$
	\$

TERM OF REPAYMENT PLAN (If any)

- Veteran is exempt from funding fee due to receipt of service-connected disability compensation of \$ _____ monthly. (Unless checked, the funding fee receipt must be remitted to VA with VA Form 26-1820, Report and Certification of Loan Disbursement)
- Veteran is not exempt from funding fee due to receipt of nonservice-connected pension of \$ _____ monthly. **LOAN APPLICATION WILL REQUIRE PRIOR APPROVAL PROCESSING BY VA**
- Veteran has been rated incompetent by VA. **LOAN APPLICATION WILL REQUIRE PRIOR APPROVAL PROCESSING BY VA**
- Insufficient information. VA cannot identify the veteran with the information given. Please furnish more complete information, or a copy of a DD Form 214 or discharge papers. If on active duty, furnish a statement of service written on official government letterhead, signed by the adjutant, personnel officer, or commanding officer. The statement should include name, birth date, service number, entry date and time lost

SIGNATURE OF AUTHORIZED AGENT	DATE SIGNED
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RESPONDENT BURDEN: VA may not conduct or sponsor, and respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-1000 for mailing information on where to send your comments.

COPY OF APPRAISAL REPORT

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 EITHER CALL HERITAGE MORTGAGE CORPORATION AT (916) 780-1015 OR SUBMIT A WRITTEN REQUEST TO THE FOLLOWING ADDRESS:

**HERITAGE MORTGAGE CORPORATION
120 ASCOT DRIVE, SUITE D
ROSEVILLE, CA 95661**

THE SIGNATURE BELOW ACKNOWLEDGES YOUR RECEIPT OF THIS NOTICE OF YOUR RIGHT TO A COPY OF THE APPRAISAL REPORT. PLEASE KEEP THIS NOTICE WITH YOUR OTHER LOAN RECORDS.

BORROWER

CO-BORROWER

DATE

Name: _____
Loan #: _____
Present Address: _____

CALIFORNIA CREDIT SCORE DISCLOSURE

In evaluating your application for a home mortgage loan, one factor your lender will consider is one or more of your credit scores because they assist the lender in evaluating your credit history in a faster, more objective manner. Your credit scores are found on your credit report, a copy of which was provided to you with this disclosure. The range of possible scores is from 300 to 850. Your lender may also obtain and consider other credit scores in making its decision on your application from the credit bureaus listed below.

In addition to the credit scores, your credit report lists the key factors why your scores were less than the maximum possible scores. Please keep in mind that the factors are only indicators of why you received less than the maximum score possible. The listing of these factors does not by itself indicate that you would not be approved for the loan you have requested. Your lender considers many factors in addition to your credit scores in making a decision on your application. If your application is not approved, you will receive a separate notice stating the specific reasons for that action which may or may not relate to your credit scores.

Your lender did not calculate your credit scores nor did your lender develop the scoring models. If you have any questions about your credit scores or the information in the credit report from which the scores were computed, you can contact the credit bureaus at the addresses listed below:

Equifax
PO Box 740241
Atlanta, GA 30374
Phone: (800) 270-3435
Internet: www.equifax.com

Trans Union
PO Box 1000
Chester, PA 19022
(800) 888-4213
www.transunion.com

Experian
PO Box 9601
Allen, TX
(888) 397-3742
www.experian.com

NOTICE TO HOME LOAN APPLICANT

Pursuant to California Civil Code Section 1785.20.2

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 score.

The credit score is a computer-generated summary calculated at the time of the request and based on the 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 in 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 score 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 decisions on a loan application.

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

This certifies that this Disclosure, along with a copy of their credit report, has been provided to each applicant/client eligible pursuant to California Civil Code Section 1785.20.2

BROKER

DATE

BORROWER

DATE

BORROWER

DATE

COMPLIANCE ACKNOWLEDGEMENT

EQUAL CREDIT OPPORTUNITY ACT NOTICE

The Federal Equal Credit Opportunity Act prohibits creditors from discrimination against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (providing that 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 the FEDERAL TRADE COMMISSION, 450 Golden Gate Avenue, Box 36005, San Francisco, California 94102, (415) 556-1270.

Civil Code Section 1812.30: *Requires notice that "the applicant, if married, may apply for a separate account."*

Alimony, child support, or separate maintenance income need not be revealed if the borrower or co-borrower does not choose to have it considered as a basis for repaying this loan.

Voluntary Information For Government Monitoring Purposes

If this loan is for purchase or construction of a home, any information regarding race, national origin, sex, marital status or age is requested by the Federal Government to monitor this lender's compliance with Equal Credit Opportunity and federal anti-discrimination statutes. The law provides that a lender may neither discriminate on the basis of this information nor on whether or not it is furnished. Furnishing this information is optional.

Notice to Applicants — Financial Privacy Act

THIS IS NOTICE TO YOU AS REQUESTED BY THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978 THAT THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR THE VETERANS ADMINISTRATION HAS A RIGHT OF ACCESS TO FINANCIAL RECORDS HELD IN A FINANCIAL INSTITUTION IN CONNECTION WITH THE CONSIDERATION OR ADMINISTRATION OF ASSISTANCE TO YOU. FINANCIAL RECORDS INVOLVING YOUR TRANSACTION WILL BE AVAILABLE TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT WITHOUT FURTHER NOTICE OR AUTHORIZATION BUT WILL NOT BE DISCLOSED OR RELEASED TO ANOTHER GOVERNMENT AGENCY OR DEPARTMENT WITHOUT YOUR CONSENT EXCEPT AS REQUIRED OR PERMITTED BY LAW.

State of California Fair Lending Notice

TO: All applicants for a loan for the purchase, construction, rehabilitation, improvements or refinancing of one to four family residence. Under the Housing Financial Discrimination Act of 1977, it is unlawful for a financial institution to refuse to make a loan or to offer less favorable terms than normal (such as a higher interest rate; larger down payment or shorter maturity) based on any of the following considerations:

1. Neighborhood characteristics (such as the average age of the homes or the income level in the neighborhood, except to a limited extent necessary to avoid an unsafe and unsound business practice.
2. Race, sex, color, religion, marital status, national origin or ancestry.

It is also unlawful to consider, in appraising a residence, the racial, ethnic, or religious composition of a particular neighborhood, whether or not such composition is undergoing change or is expected to undergo change.

If you wish to file a complaint, or if you have questions about your rights, contact:

Office of the Comptroller of the Currency
San Francisco Field Office
425 Market Street, suite 2800
San Francisco, California 94105

If you file a complaint, the law requires that you receive a decision within thirty (30) days.

I/WE HAVE RECEIVED A COPY OF THIS NOTICE.

Borrower

Date

Borrower

Date

COUNSELING CHECKLIST FOR MILITARY HOMEBUYERS

1. Failure on the part of a borrower on active duty to disclose that he/she expects to leave the area within 12 months due to transfer orders or completion of his/her enlistment period may constitute "bad faith". If you loan is foreclosed under circumstances which include such bad faith, you may be required to repay VA for any loss suffered by the Government under the guaranty, (In ANY case in which VA suffers a loss under the guaranty, the loss must be repaid before your loan benefits can be restored to use in obtaining another VA loan.)
2. Although real estate values have historically risen in most areas, there is no assurance that the property for which you are seeking financing will increase in value or even retain its present value.
3. It is possible that you may encounter difficulty in selling your house, recovering your investment or making any profit, particularly if there is an active new home market in the area.
4. Receiving military orders for a permanent change of duty station or an unexpected early discharge due to a reduction in force will not relieve you of your obligation to make your mortgage payments on the first of each month.
5. "Letting the house go back" is NOT an acceptable option. A decision to do so may be considered "bad faith". A foreclosure will result in a bad credit record, a possible debt you will owe to the government and difficulty in getting more credit in the future.
6. If unexpected circumstances lead to difficulty in making your payments, contact your mortgage company promptly. It will be easier to resolve any problems if you act quickly and be open and honest with the mortgage company.
7. YOUR VA LOAN MAY NOT BE ASSUMED WITHOUT THE PRIOR APPROVAL OF VA OR YOUR LENDER.
8. VA does NOT guarantee the house and its condition, only the loan. If you buy a previously occupied house, you must satisfy yourself that its condition is satisfactory.

I HEREBY CERTIFY THAT the lender has counseled me and I fully understand the counseling items set forth above.

BORROWER

DATE

I HEREBY CERTIFY THAT the borrower has been counseled regarding the counseling items set forth above.

LENDER

DATE

1. DURING THE PAST FIVE YEARS, HAVE YOU DIRECTLY OR INDIRECTLY BEEN OBLIGATED ON ANY LOAN WHICH RESULTED IN FORECLOSURE, TRANSFER OF TITLE IN LIEU OF FORECLOSURE, OR JUDGMENT? *(This would include home mortgage loans, SBA loans, home improvement loans, educational loans, or manufactured home loans, any mortgage, financial obligation, bond, or loan guarantee)*

YES NO *(If "Yes," provide details, including date, name and address of lender, FHA or VA case number, if any, and reasons for the action. Attach a separate sheet, if needed)*

2. ARE YOU PRESENTLY DELINQUENT OR IN DEFAULT ON ANY DEBT TO THE FEDERAL GOVERNMENT (e.g., Public Health Service, U.S. Guaranteed Student Loan, GI Bill Education Benefits, etc.)?

YES NO *(If "Yes," provide details, including date, name and address of lender, FHA or VA case number, if any, and reasons for the action. Attach a separate sheet, if needed)*

I CERTIFY THAT the statements herein are true and correct to the best of my knowledge and belief.

3. SIGNATURE OF VETERAN

4. DATE

5. SIGNATURE OF COBORROWER

6. DATE

DISCLOSURE STATEMENT

HERITAGE MORTGAGE CORPORATION

NOTICE TO MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT OUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RELATED RIGHTS. READ THIS STATEMENT AND SIGN IT 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. 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 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 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 servicer as late, and a late fee may not be imposed on you.

Complaint Resolution

Section 6 or 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 reasons 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 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, 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:

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

Will Will not Haven't decided whether to service your loan.

OR

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.

2. For all the 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% 26 to 50% 51 to 75% 75 to 100%

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. This is our record of transferring the servicing of the mortgage loans we have made in the past:

Year _____ Percentage of Loans Transferred (Rounded to nearest quartile - 0%, 25%, 50%, 75%, or 100%)

_____ %

_____ %

_____ %

This information does does not include assignments, sales or transfers to affiliates or subsidiaries.

Acknowledgment of Mortgage Loan Applicant

I/We have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below.

Applicant

Date

Applicant

Date



FEDERAL COLLECTION POLICY NOTICE

The Federal Government is authorized by law to take any or all of the following actions in the event your VA-guaranteed or VA-financed loan payments become delinquent or you default on your VA-guaranteed or VA-financed loan:

- Your name and account information may be reported to a credit bureau.
- Additional interest and penalty charges may be assessed for the period of time that payment is not made.
- Charges to cover additional administrative costs incurred by the Government to service your account may be assessed.
- Amounts owed to you under other Federal programs may be offset.
- Your account may be referred to a private collection agency to collect the amount due.
- Your account may be referred to the Department of Justice for litigation in the courts.
- If you are a current or retired Federal employee, your salary or civil service retirement benefits may be offset.
- Your debt may be referred to the Internal Revenue Service for offset against any amount owed to you as an income tax refund.
- Any written - off debt may be reported to the Internal Revenue Service as taxable income.

All of these actions can and will be used to recover any debts owed the Department of Veterans Affairs when it is determined to be in the best interest of the Government to do so.

CERTIFICATION

I have read and I understand the actions the Federal Government can take in the event that I fail to meet my scheduled payments in accordance with the terms and conditions of my agreement to purchase property with a VA-guaranteed or VA-financed loan.

Signature: _____ Date: _____

GIFT LETTER

Date: _____ Loan #: _____

Property Address: _____

To Whom It May Concern:

I/We, _____

Name of Donor(s) _____ Phone Number _____

Address _____ City, State, Zip _____

The Donor(s), do hereby certify that I/We will give or have given

as the _____

Relationship(s) to Recipient(s)

of _____

Recipient(s) of Gift

A gift in the amount of \$ _____. This is a bonafide gift, and there is no obligation expressed or implied, to repay this sum at any time. The gift funds were not made available to the donor(s) from any person or entity with an interest in the sale of the property including the seller, real estate agent or broker, builder, loan officer, or any entity associated with them. These funds are available and

- will be given no later than closing date or
- have been given to the recipient(s) to be used for the purchase of the property located at the address above

The source of the gift is

From my _____

Savings, Checking, or Credit Union, etc.

located at _____

Address of Source _____ Account Number _____

Signature(s) of Donor(s) _____ Date _____

Printed Name(s) of Donor(s) _____ Date _____

Signature of Related Borrower _____ Date _____

WARNING: Section 1010 of Title 18, U.S.C. Federal Housing Administration transactions provides: "Whoever, for the purpose of influencing in any way the action of such Administration makes, passes, utters, or published any statement, knowing the same to be false, shall be fined not more than \$5,000 or imprisoned not more than two years or both".

October 8, 2000

REQUIRED GIFT DOCUMENTATION

IF DEPOSITING GIFT FUNDS DIRECTLY INTO ESCROW:

1. COMPLETED GIFT LETTER (ATTACHED) COMPLETED AND SIGNED BY ALL PARTIES;
2. COPY OF CASHIER'S CHECK MADE PAYABLE TO TO THE TITLE COMPANY (MAKE SURE THE CASHIER'S CHECK HAS THE DONOR'S NAME AND ACCOUNT NUMBER PRINTED ON IT);
3. COPY OF DONOR'S BANK STATEMENT OR WITHDRAWAL SLIP USED TO PURCHASE THE CASHIER'S CHECK SHOWING DONOR'S NAME AND ACCOUNT NUMBER.

IF GIFT FUNDS HAVE ALREADY BEEN RECEIVED:

1. COMPLETED GIFT LETTER (ATTACHED) COMPLETED AND SIGNED BY ALL PARTIES;
2. COPY OF CANCELED CHECK FOR GIFT;
3. COPY OF DEPOSIT SLIP (OR BANK STATEMENT) SHOWING GIFT MONEY WAS DEPOSITED INTO YOUR ACCOUNT.

Homeowners Insurance Information Request

Borrower's Name(s): _____

Address: _____

City, State, Zip: _____

Insurance Company: _____

Agent's Name: _____

Phone Number: _____

Policy Number: _____

INTEREST RATE AND DISCOUNT DISCLOSURE STATEMENT

1. This statement regarding the interest rate and discount points that you may pay on a mortgage guaranteed by VA (Department of Veterans Affairs) must be delivered to you prior to execution of the borrower's certification on the HUD/VA Addendum to the Uniform Residential Loan Application.

2. VA does not establish the interest rate for mortgage loans to be guaranteed or set either a maximum or minimum on the interest rate or on discount points that may be paid by you. This means that you may pay such interest rate and discount points as you and the lender agree upon. The seller may also pay the discount points, or a portion thereof, if you and the seller agree to such an arrangement.

3. It is important for you to understand that the interest rate and discount points and the length of time the lender will honor the loan terms are all freely negotiable with the lender. Lenders may agree to offer the loan terms for a definite period of time (i.e., 30, 60, or 90 days), or may refuse to do so. This arrangement is commonly referred as a lock-in agreement. Keep in mind that your agreement with the seller will also affect the date you can close your loan.

4. The terms of your agreement with the lender will determine the degree, if any, that the interest rate and discount points may change before closing. An increase of more than 1 percent in the interest rate requires reunderwriting of the loan approval by VA or by the lender. It may be necessary for the lender to obtain your signature on a new application. If, after reunderwriting, it is determined that you remain qualified from a credit risk standpoint, the conditions of your agreements with the lender and the seller may require you to complete the transaction or lose your deposit.

IT IS YOUR RESPONSIBILITY TO ASSURE THAT YOU UNDERSTAND THE TRANSACTION

Signature: _____ Date: _____

Signature: _____ Date: _____

MORTGAGE LOAN ORIGINATION AGREEMENT

You agree to enter into this Mortgage Loan Origination Agreement with **Heritage Mortgage Corporation** as an independent contractor to apply for a residential mortgage loan from a participating lender with which we from time to time contract upon such terms and conditions as you may request or a Lender may require. You inquired into mortgage financing with **Heritage Mortgage Corporation** on _____. We are licensed as a “Mortgage Broker” under the laws of the State of California.

SECTION 1. NATURE OF RELATIONSHIP. In connection with this mortgage loan:

- We are acting as your agent.
- We will enter into separate independent contractor agreements with various lenders.
- While we seek to assist you in meeting your financial needs, we do not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or best terms available in the market.

SECTION 2. OUR COMPENSATION. The lenders whose loan products we distribute generally provide their loan products to us at a wholesale rate.

- The retail price we offer you--your interest rate, total points and fees--will include our compensation.
- In some cases, we may be paid all of our compensation by either you or the lender.
- Alternatively, we may be paid a portion of our compensation by both you and the lender. For example, in some cases, if you would rather pay a lower interest rate, you may pay higher up-front points and fees.
- Also, in some cases, if you would rather pay less up-front, you may be able to pay some or all of our compensation indirectly through a higher interest rate in which case we will be paid directly by the lender.

We also may be paid by the lender based on (i) the value of the Mortgage Loan or related servicing rights in the market place or (ii) other services, goods or facilities performed or provided by us to the lender.

By signing below, applicant(s) acknowledge receipt of a copy of this signed Agreement.

HERITAGE MORTGAGE CORPORATION

APPLICANT(S)

By: _____

Date: _____

VA NEAREST LIVING RELATIVE AND LANDLORD INFORMATION

Date: _____

Name: _____

Case Number: _____

Nearest Living Relative

Name: _____

Address: _____

Phone Number: _____

Relationship: _____

Landlord Information

Name: _____

Address: _____

BUYERS NAME:

SELLERS NAME:

FHA/VA CASE NUMBER:

PROPERTY ADDRESS:

**NOTICE TO HOMEOWNER
ASSUMPTION OF VA MORTGAGES**

For each veteran who has applied for a GI loan, if the commitment is made on or after March 1, 1988, the loan will be subject to restriction on assumability. The loan may be accelerated if the property securing it is sold without the loan being paid in full, unless (a) the loan is current and (b) the prospective purchaser will assume full liability for repayment of the loan, including the indemnity liability to the Department of Veterans Affairs, and qualifies from a credit standpoint.

BORROWER

DATE

BORROWER

DATE

VA OPTION CLAUSE

_____ It is expressly agreed that, notwithstanding any other provisions of this Sales Agreement/Contract, the Veteran/Buyer shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the purchase price or cost exceeds the reasonable value of the property established by The Department of Veterans Affairs. The Veteran/Buyer shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by The Department of Veterans Affairs.

SELLER

BUYER

SELLER

BUYER

INSTRUCTIONS FOR VA FORM 26-1880

PRIVACY ACT INFORMATION: No Certificate of Eligibility may be issued unless VA receives sufficient information to determine that you are eligible (38 U.S.C. 3702). You are not required to furnish the information, including the Social Security Number, but are urged to do so, since it is vital to proper action by VA in your case. Specifically, your Social Security Number is requested under authority of 38 U.S.C. 3702 and is requested only if the service department used your Social Security Number as a service number. Failure to provide a completed application will deprive VA of information needed in reaching decisions which could affect you. Responses may be disclosed outside VA only if the disclosure is authorized under the Privacy Act, including the routine uses identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicant Records - VA, published in the Federal Register.

RESPONDENT BURDEN: VA may not conduct or sponsor, and respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-1000 for mailing information on where to send your comments.

A. Mail this completed form, along with proof of service, to the Eligibility Center at P.O. Box 20729, Winston-Salem, NC 27120 (for veterans located in the eastern half of the country) or P.O. Box 240097, Los Angeles, CA 90024 (for veterans located in the western half of the country). Veterans stationed overseas may use either address.

B. Military Service Requirements for VA Loan Eligibility: (NOTE: Cases involving other than honorable discharges will usually require further development by VA. This is necessary to determine if the service was under other than dishonorable conditions.)

1. Wartime Service. If you served anytime during World War II (September 16, 1940 to July 25, 1947), Korean Conflict (June 27, 1950 to January 31, 1955), or Vietnam Era (August 5, 1964 to May 7, 1975) you must have served at least 90 days on active duty and have been discharged or released under other than dishonorable conditions. If you served less than 90 days, you may be eligible if discharged because of service-connected disability.

2. Peacetime Service. If your service fell entirely within one of the following periods: July 26, 1947 to June 26, 1950, or February 1, 1955 to August 4, 1964, you must have served at least 181 days of continuous active duty and have been discharged or released under conditions other than dishonorable. If you entered service after May 7, 1975 but prior to September 8, 1980 (enlisted) or October 17, 1981 (officer) and completed your service before August 2, 1990, 181 days service is also required. If you served less than 181 days, you may be eligible if discharged for a service-connected disability.

3. Service after September 7, 1980 (enlisted) or October 16, 1981 (officer) and prior to August 2, 1990. If you were separated from service which began after these dates, you must have: (a) Completed 24 months of continuous active duty for the full period (at least 181 days) for which you were called or ordered to active duty, and been discharged or released under conditions other than dishonorable; or (b) Completed at least 181 days of active duty and been discharged under the specific authority of 10 U.S.C. 1173 (hardship discharge) or 10 U.S.C. 1171 (early out discharge), or have been determined to have a compensable service-connected disability; or (c) Been discharged with less than 181 days of service for a service-connected disability. Individuals may also be eligible if they were released from active duty due to an involuntary reduction in force, certain medical conditions, or, in some instances, for the convenience of the Government.

4. Gulf War. If you served on active duty during the Gulf War (August 2, 1990 to a date yet to be determined), you must have: (a) Completed 24 months of continuous active duty or the full period (at least 90 days) for which you were called or ordered to active duty, and been discharged or released under conditions other than dishonorable; or (b) Completed at least 90 days of active duty and been discharged under the specific authority of 10 U.S.C. 1173 (hardship discharge), or 10 U.S.C. 1171 (early out discharge), or have been determined to have a compensable service-connected disability; or (c) Been discharged with less than 90 days of service for a service-connected disability. Individuals may also be eligible if they were released from active duty due to an involuntary reduction in force, certain medical conditions, or, in some instances, for the convenience of the Government.

5. Active Duty Service Personnel. If you are now on active duty, you are eligible after having served on continuous active duty for at least 181 days (90 days during the Persian Gulf War) unless discharged or separated from a previous qualifying period of active duty service.

6. Selected Reserve Requirements for VA Loan Eligibility. If you are not otherwise eligible and you have completed a total of 6 years in the Selected Reserves or National Guard (member of an active unit, attended required weekend drills and 2-week active duty training) and (a) Were discharged with an honorable discharge; or (b) Were placed on the retired list or (c) Were transferred to the Standby Reserve or an element of the Ready Reserve other than the Selected Reserve after Service characterized as honorable service; or (d) Continue to serve in the Selected Reserve. Individuals who completed less than 6 years may be eligible if discharged for a service-connected disability. Eligibility for Selected Reservists expires September 30, 2007.

C. Unmarried surviving spouses of eligible veterans seeking determination of basic eligibility for VA Loan Guaranty benefits are NOT required to complete this form, but are required to complete VA Form 26-1817, Request for Determination of Loan Guaranty Eligibility-Unmarried Surviving Spouse.

D. Proof of Military Service

1. "Regular" Veterans. Attach to this request your most recent discharge or separation papers from active military duty since September 16, 1940, which show active duty dates and type of discharge. If you were separated after January 1, 1950, DD Form 214 must be submitted. If you were separated after October 1, 1979, and you received DD Form 214, Certificate of Release or Discharge From Active Duty, 1 July edition, VA must be furnished Copy 4 of the form. You may submit either original papers or legible copies. In addition, if you are now on active duty submit a statement of service signed by, or by direction of, the adjutant, personnel officer, or commander of your unit or higher headquarters showing date of entry on your current active duty period and the duration of any time lost. Any Veterans Services Representative in the nearest Department of Veterans Affairs office or center will assist you in securing necessary proof of military service.

2. Selected Reserves/National Guard. If you are a discharged member of the Army or Air Force National Guard you may submit a NGB Form 22, Report of Separation and Record of Service, or NGB Form 23, Retirement Points Accounting, or it's equivalent (this is similar to a retirement points summary). If you are a discharged member of the Selected Reserve you may submit a copy of your latest annual point statement and evidence of honorable service. You may submit either your original papers or legible copies. Since there is no single form used by the Reserves or National Guard similar to the DD Form 214, it is your responsibility to furnish adequate documentation of at least 6 years of honorable service. In addition, if you are currently serving in the Selected Reserve you must submit a statement of service signed by, or by the direction of, the adjutant, personnel officer or commander of your unit or higher headquarters showing the length of time that you have been a member of the unit.

REQUEST PERTAINING TO MILITARY RECORDS

Please read instructions on the reverse. If more space is needed, use plain paper.

PRIVACY ACT OF 1974 COMPLIANCE INFORMATION. The following information is provided in accordance with 5 U.S.C. 552a(e)(3) and applies to this form. Authority for collection of the information is 44 U.S.C. 2907, 3101, and 3103, and E.O. 9397 of November 22, 1943. Disclosure of the information is voluntary. The principal purpose of the information is to assist the facility servicing the records in locating and verifying the correctness of the requested records or information to answer your inquiry. Routine uses of the information as established and published in accordance with 5 U.S.C.a(e)(4)(D)

include the transfer of relevant information to appropriate Federal, State, local, or foreign agencies for use in civil, criminal, or regulatory investigations or prosecution. In addition, this form will be filed with the appropriate military records and may be transferred along with the record to another agency in accordance with the routine uses established by the agency which maintains the record. If the requested information is not provided, it may not be possible to service your inquiry.

SECTION I—INFORMATION NEEDED TO LOCATE RECORDS (Furnish as much as possible)

1. NAME USED DURING SERVICE (Last, first, and middle)	2. SOCIAL SECURITY NO.	3. DATE OF BIRTH	4. PLACE OF BIRTH
5. ACTIVE SERVICE, PAST AND PRESENT (For an effective records search, it is important that ALL service be shown below)			
BRANCH OF SERVICE <i>(Also, show last organization, if known)</i>	DATES OF ACTIVE SERVICE		Check one
	DATE ENTERED	DATE RELEASED	OFFICER LISTED
			EN-LISTED
			SERVICE NUMBER DURING THIS PERIOD
6. RESERVE SERVICE, PAST OR PRESENT <i>If "none," check here</i> <input type="checkbox"/>			
a. BRANCH OF SERVICE	b. DATES OF MEMBERSHIP	c. Check one	d. SERVICE NUMBER DURING THIS PERIOD
	FROM _____ TO _____	OFFICER LISTED <input type="checkbox"/>	
		EN-LISTED <input type="checkbox"/>	
7. NATIONAL GUARD MEMBERSHIP (Check one): <input type="checkbox"/> a. ARMY <input type="checkbox"/> b. AIR FORCE <input type="checkbox"/> c. NONE			
d. STATE	e. ORGANIZATION	f. DATES OF MEMBERSHIP	g. Check one
		FROM _____ TO _____	OFFICER LISTED <input type="checkbox"/>
			EN-LISTED <input type="checkbox"/>
			h. SERVICE NUMBER DURING THIS PERIOD
8. IS SERVICE PERSON DECEASED <input type="checkbox"/> YES <input type="checkbox"/> NO <i>If "yes," enter date of death.</i>			9. IS (WAS) INDIVIDUAL A MILITARY RETIREE OR FLEET RESERVIST <input type="checkbox"/> YES <input type="checkbox"/> NO

SECTION II—REQUEST

1. EXPLAIN WHAT INFORMATION OR DOCUMENTS YOU NEED; OR, CHECK ITEM 2; OR, COMPLETE ITEM 3	2. IF YOU ONLY NEED A STATEMENT OF SERVICE <i>check here</i> <input type="checkbox"/>
3. LOST SEPARATION DOCUMENT REPLACEMENT REQUEST (Complete a or b, and c.)	
<input type="checkbox"/> a. REPORT OF SEPARATION (DD Form 214 or equivalent) YEAR ISSUED _____	<i>This contains information normally needed to determine eligibility for benefits. It may be furnished only to the veteran, the surviving next of kin, or to a representative with veteran's signed release (item 5 of this form).</i>
<input type="checkbox"/> b. DISCHARGE CERTIFICATE YEAR ISSUED _____	<i>This shows only the date and character at discharge. It is of little value in determining eligibility for benefits. It may be issued only to veterans discharged honorably or under honorable conditions; or, if deceased, to the surviving spouse.</i>
<input type="checkbox"/> c. EXPLAIN HOW SEPARATION DOCUMENT WAS LOST	
4. EXPLAIN PURPOSE FOR WHICH INFORMATION OR DOCUMENTS ARE NEEDED	6. REQUESTER
	a. IDENTIFICATION (check appropriate box)
	<input type="checkbox"/> Same person identified in Section I <input type="checkbox"/> Surviving spouse
	<input type="checkbox"/> Next of kin (relationship) _____
	<input type="checkbox"/> Other (specify) _____
	b. SIGNATURE (see instruction 3 on reverse side) _____ DATE OF REQUEST _____
5. RELEASE AUTHORIZATION, IF REQUIRED (Read instruction 3 on reverse side)	7. Please type or print clearly — COMPLETE RETURN ADDRESS
I hereby authorize release of the requested information/documents to the person indicated at right (item 7).	Name, number and street, _____
	city, _____
	State _____
	and _____
	ZIP _____
	code _____
VETERAN SIGN HERE <input type="checkbox"/>	TELEPHONE NO. (include area code) <input type="checkbox"/>
<i>(If signed by other than veteran show relationship to veteran.)</i>	

INSTRUCTIONS

1. Information needed to locate records. Certain identifying information is necessary to determine the location of an individual's record of military service. Please give careful consideration to and answer each item on this form. If you do not have and cannot obtain the information for an item, show "NA," meaning the information is "not available." Include as much of the requested information as you can. This will help us to give you the best possible service.

2. Charges for service. A nominal fee is charged for certain types of service. In most instances service fees cannot be determined in advance. If your request involves a service fee you will be notified as soon as that determination is made.

3. Restrictions on release of information. Information from records of military personnel is released subject to restrictions imposed by the military departments consistent with the provisions of the Freedom of Information Act of 1967 (as amended in 1974) and the Privacy Act of 1974. A service person has access to almost any information contained in his own record. The next of kin, if the veteran is deceased, and Federal officers for official purposes, are authorized to receive information from a military service or medical record only as specified in the above cited Acts. Other requesters must have the release authorization, in item 5 of the form, signed by the veteran or, if deceased, by the next of kin. Employers

and others needing proof of military service are expected to accept the information shown on documents issued by the Armed Forces at the time a service person is separated.

4. Location of military personnel records. The various categories of military personnel records are described in the chart below. For each category there is a code number which indicates the address at the bottom of the page to which this request should be sent. For each military service there is a note explaining approximately how long the records are held by the military service before they are transferred to the National Personnel Records Center, St. Louis. Please read these notes carefully and make sure you send your inquiry to the right address. Please note especially that the record is not sent to the National Personnel Records Center as long as the person retains any sort of reserve obligation, whether drilling or non-drilling.

(If the person has two or more periods of service within the same branch, send your request to the office having the record for the last period of service.)

5. Definitions for abbreviations used below:

NPRC—National Personnel Records Center PERS—Personnel Records
 TDRL—Temporary Disability Retirement List MED—Medical Records

SERVICE	NOTE: (See paragraph 4 above.)	CATEGORY OF RECORDS	WHERE TO WRITE ADDRESS CODE
AIR FORCE (USAF)	<i>Except for TDRL and general officers retired with pay, Air Force records are transferred to NPRC from Code 1, 90 days after separation and from Code 2, 150 days after separation.</i>	Active members (includes National Guard on active duty in the Air Force), TDRL, and general officers retired with pay.	1
		Reserve, retired reservist in nonpay status, current National Guard officers not on active duty in Air Force, and National Guard released from active duty in Air Force.	2
		Current National Guard enlisted not on active duty in Air Force.	13
		Discharged, deceased, and retired with pay.	14
COAST GUARD (USCG)	<i>Coast Guard officer and enlisted records are transferred to NPRC 7 months after separation.</i>	Active, reserve, and TDRL members.	3
		Discharged, deceased, and retired members (see next item).	14
		Officers separated before 1/1/29 and enlisted personnel separated before 1/1/15.	6
MARINE CORPS (USMC)	<i>Marine Corps records are transferred to NPRC between 6 and 9 months after separation.</i>	Active, TDRL, and Selected Marine Corps Reserve members.	4
		Individual Ready Reserve and Fleet Marine Corps Reserve members.	5
		Discharged, deceased, and retired members (see next item).	14
		Members separated before 1/1/1905.	6
ARMY (USA)	<i>Army records are transferred to NPRC as follows: Active Army and Individual Ready Reserve Control Groups: About 60 days after separation. U.S. Army Reserve Troop Unit personnel: About 120 to 180 days after separation.</i>	Reserve, living retired members, retired general officers, and active duty records of current National Guard members who performed service in the U.S. Army before 7/1/72.*	7
		Active officers (including National Guard on active duty in the U.S. Army).	8
		Active enlisted (including National Guard on active duty in the U.S. Army) and enlisted TDRL.	9
		Current National Guard officers not on active duty in the U.S. Army.	12
		Current National Guard enlisted not on active duty in the U.S. Army.	13
		Discharged and deceased members (see next item).	14
		Officers separated before 7/1/17 and enlisted separated before 11/1/12.	6
		Officers and warrant officers TDRL.	8
NAVY (USN)	<i>Navy records are transferred to NPRC 6 months after retirement or complete separation.</i>	Active members (including reservists on duty)—PERS and MED	10
		Discharged, deceased, retired (with and without pay) less than six months, TDRL, drilling and nondrilling reservists	10
		Discharged, deceased, retired (with and without pay) more than six months (see next item)—PERS & MED	11
		Officers separated before 1/1/03 and enlisted separated before 1/1/1886—PERS and MED	14
			6

*Code 12 applies to active duty records of current National Guard officers who performed service in the U.S. Army after 6/30/72.

Code 13 applies to active duty records of current National Guard enlisted members who performed service in the U.S. Army after 6/30/72.

ADDRESS LIST OF CUSTODIANS (BY CODE NUMBERS SHOWN ABOVE)—Where to write / send this form for each category of records

1	Air Force Manpower and Personnel Center Military Personnel Records Division Randolph AFB, TX 78150-6001	5	Marine Corps Reserve Support Center 10950 El Monte Overland Park, KS 66211-1408	8	USA MILPERCEN ATTN: DAPC-MSR 200 Stoval Street Alexandria, VA 22332-0400	12	Army National Guard Personnel Center Columbia Pike Office Building 5800 Columbia Pike Falls Church, VA 22041
2	Air Reserve Personnel Center Denver, CO 80280-5000	6	Military Archives Division National Archives and Records Administration Washington, DC 20408	9	Commander U.S. Army Enlisted Records and Evaluation Center Ft. Benjamin Harrison, IN 46249-5301	13	The Adjutant General (of the appropriate State, DC, or Puerto Rico)
3	Commandant U.S. Coast Guard Washington, DC 20593-0001	7	Commander U.S. Army Reserve Personnel Center ATTN: DARP-PAS 9700 Page Boulevard St. Louis, MO 63132-5200	10	Commander Naval Military Personnel Command ATTN: NMPC-036 Washington, DC 20370-5036	14	National Personnel Records Center (Military Personnel Records) 9700 Page Boulevard St. Louis, MO 63132
4	Commandant of the Marine Corps (Code MMRB-10) Headquarters, U.S. Marine Corps Washington, DC 20380-0001			11	Naval Reserve Personnel Center New Orleans, LA 70146-5000		

VERIFICATION OF IDENTIFICATION

As required by the USA Patriot Act

By signing below, I certify the following:

- I have verified the identity of each borrower by personally reviewing their photographic identification.
- I have explained below any discrepancy between the name on the loan and the name on any identification.
- I have copied the following information from each identification card reviewed. If there are additional borrowers, please photocopy as needed.

Borrower: _____

Type of identification:

Driver's License # _____

Identification Card # _____

Other (describe here) _____

Issuing State/Country: _____

Date of issue: _____ Expiration date: _____

Names match Describe and reconcile any difference in name

Co-Borrower: _____

Type of identification:

Driver's License # _____

Identification Card # _____

Other (describe here) _____

Issuing State/Country: _____

Date of issue: _____ Expiration date: _____

Names match Describe and reconcile any difference in name

Person Verifying Information: _____

PRINT NAME AND TITLE

Signature: _____ **Date:** _____