



FLAGSTAR BANK PRIVACY NOTICE TO CUSTOMERS

We are required by law to give you this privacy notice. It describes our policies and practices that protect your privacy and enables us to share information to provide you with competitive financial products and services. If you have any questions after reading it, please contact us at 1-800-945-7700.

What follows is a description of the information we collect and disclose, including the parties who receive nonpublic information from us.

Information We Collect About You

We collect information about you from the following sources:

- * Information we receive from you on applications and other forms;
- * Information obtained when verifying the information you provide on an application or other form (this may be obtained from, but is not restricted to, your current or past employers, or from other institutions where you have conducted financial transactions);
- * Information about your transactions with us, or others including those companies that work closely with us to provide you with diverse financial products and services;
- * Information we receive from a credit reporting agency; and
- * Information we may obtain from consumer purchasing and census data providers to develop competitive marketing programs for our customers.

Disclosure of Information to Parties that Provide Services to Us

We may disclose information we collect, as provided by state and/or federal law and as described above, to companies that perform marketing or other services on our behalf or to other financial institutions with whom we have joint marketing agreements, so that we may provide customers competitive products and services. We may also disclose non-public personal information about you under circumstances as permitted or required by state and/or federal law. These disclosures typically include information to process transactions on your behalf, conduct the operations of our Bank, follow your instructions as you authorize or protect the security of our financial records.

Disclosure of Information About Former Customers

If you decide to terminate your relationship with our Bank, we will not share information we have collected about you, except as may be required by law, and will remove your information from our files within a reasonable period of time.

How to Opt Out or Stop Certain Disclosures About You

At this time, we do not intend to disclose nonpublic personal information other than as noted above. If in the future, the Bank intends to disclose non-public information other than the above, the Bank will provide an additional notice, and provide an opportunity to opt out if applicable. The opt out does not apply to disclosures that are legally permitted or required or to disclosures that Bank makes to companies that perform services on our behalf or to other financial institutions that have joint marketing agreements with the Bank.

How We Protect Your Information

We restrict access to nonpublic information about you to those employees who need to know that information to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

What Customers Can Do to Help

Our Bank is committed to protecting the privacy of its customers. You can help by following these simple guidelines:

- * Protect your account numbers, card numbers, PINs (personal identification numbers) and passwords. Never keep your PIN with your debit or credit card as it can provide access to your accounts if your card is lost or stolen.
- * Use caution when disclosing your account numbers, social security numbers, etc., to other persons. If someone calls you, explains the call is on behalf of the Bank and asks for your account number, you should beware. Official Bank staff will have access to your information and will not need to ask for it.
- * Keep your information current. It is important that we have current information on how to reach you. If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately. If your address or phone number changes, please let us know.
- * Let us know if you have questions. Please do not hesitate to call us - we are here to serve you.

Applicant Signature

Date

Co-Applicant Signature

Date



APPLICANT CERTIFICATION

THIS IS TO CERTIFY AND AGREE IN CONNECTION WITH OUR APPLICATION FOR A MORTGAGE LOAN FROM FLAGSTAR SM BANK, FSB:

- 1. That the dollar amounts in our checking, savings or ready assets accounts that are listed under the cash or market value columns of the assets section of our application (Form 1003) are in addition to the \$ 0 we have on deposit with the broker or seller. These funds are not borrowed or from an undisclosed source.
2. That we are not involved in any litigation or lawsuit.
3. That at application we received a Good Faith Estimate of Settlement Costs and the Special Informations Booklet re: Settlement Costs. Flagstar Bank or its holding company, subsidiary, or affiliate may disclose information as it seems appropriate and necessary; including applicant's names, address, loan amount, age, marital status, interest rate, total monthly payment and other credit information for use in connection with solicitation of credit life and accident insurance.
4. That we were informed by Flagstar Bank that income from Alimony, child support, or Separate Maintenance need not be revealed if we do not choose to have said income considered as a basis for repayment of the loan.
5. That we understand that the information regarding race/national origin, sex, marital status, familial status and age is being requested by the Federal Government only for the purpose of monitoring compliance with federal anti-discrimination statutes, and creditors may not discriminate against applicants on those basis.
6. That we have never been obligated on a home loan, home improvement loan or mobile home loan which resulted in foreclosure, transfer of title in lieu of foreclosure or judgement.
7. That we are purchasing the property for our own occupancy.
8. That we have no other debts other than those disclosed on the Residential Loan Application and the payments and balances as stated on the application are correct.
9. That the Application Fee collected at the time of our application is under no circumstance refundable and does not guarantee any interest rate, approval or a time frame to close the loan.
10. That the Credit Report and Appraisal obtained by Flagstar Bank is for the exclusive use of the bank. We have a right to a copy of the appraisal report used in connection with the application for credit within ninety (90) days of notification of action taken on loan. If I wish a copy, I may write to the mailing address of:
While the loan is in process: The loan center processing the application.
After the loan is closed: Customer Service, 5151 Corporate DR. Troy, MI 48098-2639
11. If we have an escrow account for payment of taxes and insurance, this account shall be reviewed each year to determine if sufficient funds are available for payment of bills. We realize we are immediately responsible for deficiencies, if any. Escrow payments shall be made in accordance with the terms of our mortgage.
12. That we pay monthly for baby sitting, nursery school, child support or alimony. (FHA and VA loans only)
13. That any material changes in income, funds to close, or credit prior to loan closing that would materially effect the information given at the time of the initial loan application will be given at the time of the initial loan application will be brought to the attention of the loan officer prior to loan closing. Any material change in the applicant(s) finances could materially effect the terms of the loan and approval of the loan.
14. That it is our responsibility to have flood insurance if our property, either now or in the future, is located in a flood zone requiring flood insurance.
15. That we authorize the release of information concerning the status and disposition of our application to any real estate agent or real estate broker involved in this transaction. That we authorize the release of any credit information, loan documentation, or processing information, including depository and employment data, or the status and disposition of our loan to any title agency, insurance agency, insurance company, or Flagstar Bank holding company, subsidiary, or affiliate. This authorization supersedes any restriction typed on a standard processing form.

We have reviewed our application and all the information provided, including our current employment and liabilities. It is true, correct and complete. We are aware that providing false information could result in fines, imprisonment, or both.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

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

APPLICANT'S SIGNATURE

DATE

CO-APPLICANT'S SIGNATURE

DATE

Michigan Disclosure for Compliance with the Michigan “Consumer Protection Act”, Act No. 660 of Michigan Public Acts of 2002

For Michigan Properties:

Upon application, I/we received a copy of the following documents: “Borrower’s Bill of Rights” and “Consumer Caution and Home Ownership Counseling Notice” with a list of HUD approved credit counseling agencies attached. (Pursuant to the Michigan Consumer Protection Act, Act No. 660 of Michigan Public Acts of 2002.)

Applicant’s Signature Date

Co-Applicant’s Signature Date

Print Name

Print Name

Loan Number: _____
Property Address: _____



Net Tangible Benefit Worksheet for GA

I (we), the borrower(s) acknowledge that we will receive the following tangible benefit(s) from the execution of this proposed new loan.

- Lower interest rate to ...% from ...%
Reduce monthly principle & interest payment to \$... from \$...
Shorten loan term to ... years to ... years
Convert current adjustable rate mortgage to a fixed rate loan.
Convert current balloon loan to a Fixed Rate Loan.
Remove mortgage insurance by lowering my loan-to-value (LTV)
Consolidate my first and second mortgages
Debt consolidation—Explain benefit :
Home improvement—Explain benefit:
Cash-out—Explain benefit:
Other- Explain:

Borrower Certification:

I (we) understand that my (our) loan broker/lender is verifying that I (we) are receiving a reasonable, tangible net benefit by refinancing this loan. I (we) affirm that I (we) entered into this transaction of our own free will and that tangible net benefit of the new loan has been explained. Finally, I (we) understand and confirm the benefits.

Borrower: (Signature)

Date:

Co-Borrower: (Signature)

Date:

Loan Officer: (Print)

Loan Officer: (Signature)

Date:

Flagstar Bank will not purchase or Fund a Section 32, or Georgia High Cost Loan. If any loan purchased or funded by Flagstar Bank is subsequently determined to be a "high cost" loan as defined by GAFLA or Section 32 of the Truth in Lending Act, Flagstar will require the loan to be repurchased. The information contained in this form is for informational purposes only and is not intended to constitute legal advice. We strongly recommend that you contact an attorney if you have any questions regarding these laws.



Net Tangible Benefit Worksheet

Pursuant to the Georgia Fair Lending Act, no creditor may engage in the unfair act or practice of flipping a home loan. Flipping may occur when a creditor refinances an existing home loan that was consummated within the **prior five years** when the new loan does not provide a reasonable, tangible net benefit to the borrower. This tangible benefit must consider all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances. In addition, the home loan financing transaction could be presumed to be flipping where a home loan refinances an existing home loan that was consummated **within the previous five years** that is a special mortgage originated, subsidized, or guaranteed by or through a state, tribal, non profit organization or local government which either bears a below-market interest rate at the time the loan was originated or has nonstandard payment terms beneficial to the borrower. These nonstandard payment terms may include the following: payments that vary with income, or are limited to a percentage of income or where no payments are required under specified conditions and where, as a result of the refinancing, the borrower will lose one or more of the benefits of the special mortgage.

The following worksheet will be used in determining the borrower's tangible net benefit(s) as the benefit relates directly to the new loan extended.

Originating Company _____

Originating Company License #: _____

Originator/ Processor Name _____

Borrower(s) Name(s) _____

Property Address: _____

Loan Information

	New Loan	Previous Loan
<u>Loan Date</u>		
<u>Loan Amount</u>		
<u>Loan Term</u>		
<u>Type of Loan</u>	_ Fixed _ ARM _ Balloon	_ Fixed _ ARM _ Balloon
<u>Interest Rate</u>		
<u>Principal and Interest</u>		
<u>Taxes and Insurance</u>		
<u>Mortgage Insurance</u>		
<u>Prepayment Penalty Provision</u>		
<u>Special Loan as described above</u>		
<u>Broker/Lender</u>		
<u>Servicer</u>		

Important Notice to Homebuyers

U.S. Department of Housing and
Urban Development
Office of Housing - Federal Housing
Commissioner

You must read this entire document at the time you apply for the loan.
Return one copy to lender as proof of notification and keep one copy for your records.

Condition of Property

The property you are buying is not HUD/FHA approved and HUD/FHA does not warrant the condition or the value of the property. An appraisal will be performed to estimate the value of the property, but this appraisal does not guarantee that the house is free of defects. You should inspect the property yourself very carefully or hire a professional inspection service to inspect the property for you.

Interest Rate and Discount Points

HUD does not regulate the interest rate or the discount points that may be paid by you or the seller or other third party. You should shop around to be sure you are satisfied with the loan terms offered and with the service reputation of the lender you have chosen.

The interest rate, any discount points and the length of time the lender will honor the loan terms are all negotiated between you and the lender.

The seller can pay the discount points, or a portion thereof, if you and the seller agree to such an arrangement.

Lenders may agree to guarantee or "lock-in" the loan terms for a definite period of time (i.e., 15, 30, 60 days, etc.) or may permit your loan to be determined by future market conditions, also known as "floating". Lenders may require a fee to lock in the interest rate or the terms of the loan, but must provide a written agreement covering a minimum of 15 days before the anticipated closing. Your agreement with the lender will determine the degree, if any, that the interest rate and discount points may rise before closing.

If the lender determines you are eligible for the mortgage, your agreement with the seller may require you to complete the transaction or lose your deposit on the property.

Don't Commit Loan Fraud

It is important for you to understand that you are required to provide complete and accurate information when applying for a mortgage loan.

Do not falsify information about your income or assets.

Disclose all loans and debts (including money that may have been borrowed to make the downpayment).

Do not provide false letters-of-credit, cash-on-hand statements, gift letters or sweat equity letters.

Do not accept funds to be used for your downpayment from any other party (seller, real estate salesperson, builder, etc.).

Do not falsely certify that a property will be used for your primary residence when you are actually going to use it as a rental property.

Do not act as a "strawbuyer" (somebody who purchases a property for another person and then transfers title of the property to that person), nor should you give that person personal or credit information for them to use in any such scheme.

Do not apply for a loan by assuming the identity of another person.

Do not sign an incomplete or blank document; that is, one missing the name and address of the recipient and/or other important identifying information.

Penalties for Loan Fraud: Federal laws provide severe penalties for fraud, misrepresentation, or conspiracy to influence wrongly the issuance of mortgage insurance by HUD. You can be subject to a possible prison term and fine of up to \$10,000 for providing false information. Additionally, you could be prohibited from obtaining a HUD-insured loan for an indefinite period.

Report Loan Fraud: If you are aware of any fraud in HUD programs or if an individual tries to persuade you to make false statements on a loan application, you should report the matter by calling your nearest HUD office or the HUD Regional Inspector General, or call the HUD Hotline on 1 (800) 347-3735.

Warning: It is a crime to knowingly make false statements to the United States Government on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S Code Section 1001 and Section 1010.

Discrimination

If you believe you have been subject to discrimination because of race, color, religion, sex, handicap, familial status, or national origin, you should call HUD's Fair Housing & Equal Opportunity Complaint Hotline: 1 (800) 669-9777.

About Prepayment

This notice is to advise you of the requirements that must be followed to accomplish a prepayment of your mortgage, and to prevent accrual of any interest after the date of prepayment.

You may prepay any or all of the outstanding indebtedness due under your mortgage at any time, without penalty. However, to avoid the accrual of interest on any prepayment, the prepayment must be

received on the installment due date (the first day of the month) if the lender stated this policy in its response to a request for a payoff figure.

Otherwise, you may be required to pay interest on the amount prepaid through the end of the month. The lender can refuse to accept prepayment on any date other than the installment due date.

FHA Mortgage Insurance Information

Who May be Eligible for a Refund?

Premium Refund: You may be eligible for a refund of a portion of the insurance premium if you paid an upfront mortgage insurance premium at settlement.

Review your settlement papers or check with your mortgage company to determine if you paid an upfront premium.

Exceptions:

Assumptions: When a FHA insured loan is assumed the insurance remains in force (the seller receives no refund). The owner(s) of the property at the time the insurance is terminated is entitled to any refund.

FHA to FHA Refinance: When a FHA insured loan is refinanced, the refund from the old premium may be applied toward the upfront premium required for the new loan.

How are Refunds Determined?

The FHA Commissioner determines how much of the upfront premium is refunded when loans are terminated. Refunds are based on the number of months the loan is insured. After 60 months (5 years) no refund is due the homeowner.

How are Refunds Processed?

1. Refunds of unearned upfront mortgage insurance premiums are refunded upon the receipt of the termination notice initiated by the lender. Once HUD receives and processes the termination, the refund process is initiated.
2. If you are eligible for a refund, HUD will either request Treasury to issue you a check directly or will send you an Application for Premium Refund (form HUD-27050-B).
3. Read the application carefully, sign, have it notarized, and attach proof of ownership at insurance termination.
4. Return application to the address shown on the HUD-27050-B.
5. HUD will request Treasury to issue a check if no additional information is needed.

How to Follow-Up

If you do not receive an application within 45 days after you have paid off your loan, check with your mortgage company to confirm that they have sent HUD a request for termination. If they confirm that the correct termination information was sent, contact HUD.

If you do not receive a refund or any other documentation from HUD within 60 days from the date you mailed your application, contact HUD immediately.

How to Contact HUD

By Phone:

800 697-6967

8:30 AM to 8:30 PM (EST)

Monday through Friday

By Mail:

U.S. Department of Housing & Urban Development

PO Box 23699

Washington, DC 20026-3699

Monthly Insurance Premiums

If you paid an upfront mortgage insurance premium, you will also be charged a monthly mortgage insurance premium until the loan to value of your mortgage reaches 78 percent of the *initial* sales price or appraised value of your home, whichever was lower (provided that premiums are paid for at least five years). You will reach the 78 percent loan-to-value threshold in one of two ways: Through normal amortization as you make your monthly payments, or by paying additional principal on the mortgage. Your lender can advise you on when the mortgage will reach the 78 percent loan-to-value threshold. If you were *not* charged an upfront premium, as for example on condominiums, you will pay the monthly premium for the life of the mortgage.

Note: All inquiries should include your name, 10-digit FHA case number, paid in full date, property address, and a daytime phone number. Record your FHA case number here for future reference.

Important: The rules governing the eligibility for premium refunds are based on the financial status of the FHA insurance fund and are **subject to change**.

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You, the borrower(s), must be certain that you understand the transaction. Seek professional advice if you are uncertain.

Acknowledgment: I acknowledge that I have read and received a copy of this notice at the time of loan application. This notice does not constitute a contract or binding agreement. It is designed to provide current HUD/FHA policy regarding refunds.

Signature & Date:

Signature & Date:

X _____
Signature & Date:

X _____
Signature & Date:

X _____

X _____