



# BORROWER DISCLOSURES and PRIVACY POLICY

## **BORROWER CERTIFICATION AND AUTHORIZATION**

The undersigned certify the following:

I/We have applied for a mortgage loan from Source Capital Funding, Inc.

In applying for the loan, I/We completed a loan application containing various information on the purpose of the loan, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentation in the loan application or other documents, nor did I/we omit any pertinent information.

I/We understand and agree the Lender reserves the right to verify the information provided on the application with the employer and/or the financial institution.

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 loan, as applicable under the provisions of Title 18, United States Code, Section 1014.

### **AUTHORIZATION TO RELEASE INFORMATION**

To Whom It May Concern:

I/We have applied for a mortgage loan from Source Capital Funding, Inc. through their application process, and the Lender may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or at the time of the Lender's quality control program.

I/We authorize you to provide to the Lender and to the Lender's investors to whom the Lender may sell my mortgage loan, any and all documents that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balance; credit history; and copies of income tax returns.

The Lender, or any other investor that purchases the mortgage loan, may address this authorization to any party named in the application.

A copy of this authorization may be accepted as an original.

### **ACKNOWLEDGEMENT AND AGREEMENT**

Each of the undersigned specifically represents the following to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, investors, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage(s) or deed(s) of trust on the property or properties described in this application; (3) the property or properties will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a business purpose loan; (5) the property or properties will be occupied or used as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, investors, servicers, successors, and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more credit reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor anyone on Lender's behalf has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property. I understand that, even if I was provided with a copy of the Lender's appraisal, I cannot rely on that appraisal which was

obtained solely for the Lender's information and use; (11) this application, so long as it is prepared by me (or at my direction) and submitted by me, shall entitle Lender to rely upon it, even if not signed by me, and my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature; (12) Lender will retain this application and any other credit information Lender receives, even if no loan or credit is granted; (13) Lender is authorized by me to provide to any insurer, lender, or investor, or their successors, with any information and documentation they may request with respect to my/our application, credit or loan; (14) Lender may rely on the representations set forth herein without verifying the information provided by the borrower; (15) the term "Lender" shall include the plural ("Lenders") where more than one Lender makes, funds or purchase my loan.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate business purpose through any source, including a source named in this application or a consumer reporting agency.

**THIS DECLARATION IS PART OF YOUR LOAN APPLICATION. PLEASE MAKE SURE THE STATEMENTS ABOVE, AS COMPLETED BY YOU, ARE TRUE AND ACCURATE. UNTRUE OR FALSE STATEMENTS MAY SUBJECT YOU TO CIVIL OR CRIMINAL PENALTIES.**

**THE UNDERSIGNED HAS/HAVE NOT COMPLETED ANY PORTION OF THIS FORM BASED UPON SUGGESTIONS OR DIRECTION FROM LENDER, FROM LENDER'S AGENTS OR FROM ANY BROKER, LOAN AGENT AND/OR MORTGAGE LOAN ORIGINATOR REGARDLESS OF WHOM THE BROKER OR LOAN AGENT CLAIMS TO REPRESENT.**

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

### **E-SIGN CONSENT**

The Electronic Signatures in Global and National Commerce Act ("eSign") requires your consent before we can electronically present to you certain disclosures that we need to make available to you as part of the mortgage application process which are required by Federal and State laws. In order to continue with the application process, we must have your consent to receive these disclosures electronically. Your consent will apply to this mortgage loan application and other mortgage loan applications hereafter. If you do not consent, we will not be able to continue with the online application process, however we can still assist you in person or over the telephone at 888.249.9827.

#### **Paper Delivery of Disclosures and Notices**

You have a right to receive a paper copy of the above disclosures. To request a paper copy at no charge, please complete one of the following: send an email message to us with your name and mailing address to [info@hardmoneyfirst.com](mailto:info@hardmoneyfirst.com), call us at 888.249.9827 or write to us with your name and mailing address at Source Capital Funding, Inc., 11440 West Bernardo Court, Suite 272, San Diego, CA 92127. Be sure to state that you are requesting a copy of the above new account disclosures.

#### **System Requirements to Access Information**

To receive an electronic copy of the above disclosures, you must have the following:

A personal computer or other device that is capable of accessing the internet. Your access to this web page verifies that your system/device meets these requirements.

An email address is required to communicate with you electronically regarding your account. It is your responsibility to update us with any changes to your email address. You may update your email address with us in the same manner as you may request a paper copy of the disclosures.

An Internet web browser which is capable of supporting 128-bit SSL encrypted communications such as Microsoft Internet Explorer, Firefox, Safari, Chrome, Netscape, or equivalent software and communications access to the Internet. Your access to this web page verifies that your browser and encryption software/device meet these requirements.

You must have software which permits you to receive and access Portable Document Format (PDF) files, such as Adobe Acrobat Reader® or another PDF Viewer. You can download Adobe Acrobat Reader at no charge from Adobe's website

## **FEDERAL EQUAL CREDIT OPPORTUNITY ACT NOTICE**

The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided 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. Income which you receive as alimony, child support, or separate maintenance need not be disclosed to this creditor 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 this lender because of your sex or marital status. However, we will consider very carefully the stability and probable continuity of any income you disclose to us.

The Federal Agency that administers compliance with this law concerning this creditor is:

Federal Trade Commission  
Equal Credit Opportunity  
Washington, DC

## **THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977 FAIR LENDING NOTICE**

IT IS ILLEGAL TO DISCRIMINATE IN THE PROVISION OF OR IN THE AVAILABILITY OF FINANCIAL ASSISTANCE BECAUSE OF THE CONSIDERATION OF:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
2. Race, Color, Religion, Sex, Marital Status, National Origin of Ancestry.

IT IS ILLEGAL TO CONSIDER THE RACIAL, ETHNIC, RELIGIOUS OR NATIONAL ORIGIN COMPOSITION OF A NEIGHBORHOOD OR GEOGRAPHIC AREA SURROUNDING A HOUSING ACCOMMODATION OR WHETHER OR NOT SUCH COMPOSITION IS UNDERGOING CHANGE, OR IS EXPECTED TO UNDERGO CHANGE, IN APPRAISING A HOUSING ACCOMMODATION OR IN DETERMINING WHETHER OR NOT, OR UNDER WHAT TERMS AND CONDITIONS, TO PROVIDE FINANCIAL ASSISTANCE. THESE PROVISIONS GOVERN FINANCIAL ASSISTANCE FOR THE PURPOSE OF THE PURCHASE, CONSTRUCTION, REHABILITATION OF REFINANCING OF ONE TO FOUR UNIT FAMILY RESIDENCES OCCUPIED BY THE OWNER AND FOR THE PURPOSE OF THE HOME IMPROVEMENT OF ANY ONE TO FOUR UNIT FAMILY RESIDENCE. IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS, OR IF YOU WISH TO FILE A COMPLAINT, CONTACT THE MANAGEMENT OF THIS FINANCIAL INSTITUTION OR:

DEPARTMENT OF REAL ESTATE  
320 W. 4TH STREET, SUITE 350 LOS ANGELES, CA 90013-1105

DEPARTMENT OF REAL ESTATE  
1515 CLAY STREET, SUITE 702 OAKLAND, CA 94612-1402

## **HAZARD INSURANCE DISCLOSURE**

No lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

This disclosure is neither a contract nor a commitment to lend.

## **CREDIT SCORE DISCLOSURE**

### **NOTICE TO THE HOME LOAN APPLICANT:**

In connection with your application for a home loan, the lender must disclose to you (1) the score that a credit bureau distributed to users and the lender used in connection with your home loan, and (2) the key factors affecting your credit scores.

The credit score is a computer generated summary calculated at the time of the request and based on 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. The lender or broker does not have control over how your credit scores are reported. 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 decision on a loan application. Following are the names, addresses and telephone numbers of the Credit Reporting Agencies who commonly provide credit score information to Source Capital Funding, Inc.

One or all of these agencies provided credit scores on your loan:

Experian  
PO Box 2002  
Allen TX 75013  
888-397-3742

Equifax  
PO Box 105873  
Atlanta, GA 30348  
800-685-1111

Trans Union  
PO Box 1000  
Chester, PA 19022  
800-8

## IMPORTANT PRIVACY INFORMATION FOR CONSUMERS

<b>FACTS</b>	<b>WHAT DOES SOURCE CAPITAL FUNDING INC. (SCF) DO WITH YOUR PERSONAL INFORMATION?</b>
<b>WHY?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>WHAT?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. The information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and credit history</li> <li>• credit scores and employment information</li> <li>• income and payment history</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
<b>HOW?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Source Capital Funding (SCF) chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Source Capital Funding (SCF) share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes - information about your transactions	No	We don't share
For our affiliates' everyday business purposes - information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliated to market to you	No	We don't share

### QUESTIONS ?

Call 888.334.6636

**IMPORTANT PRIVACY INFORMATION FOR CONSUMERS - PAGE 2**

<b>WHAT WE DO</b>	
How does Source Capital Funding (SCF) protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Source Capital Funding (SCF) collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• apply for a loan or give us your income information</li> <li>• provide account information or provide employment information</li> <li>• show your driver's license</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliated to market you</li> </ul> <p>State laws and individual companies may give you additional rights to Limit sharing.</p>

<b>DEFINITIONS</b>	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Source Capital Funding (SCF) is affiliated with Red Leaf Management</i></li> </ul>
Nonaffiliated	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>Source Capital Funding (SCF) does not share with nonaffiliated so they can market to you.</i></li> </ul>
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Source Capital Funding (SCF) doesn't jointly market.</i></li> </ul>