

## LOAN PRICING AGREEMENT DEFINING INTEREST RATE AND TERMS

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Date: 9/18/2008

Loan Number:

Borrower Name:

Co-Borrower Name:

Property Address: , ,

Lender / Broker: VAMortgageCenter.com

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### GENERAL INFORMATION

This Loan Pricing Agreement will define the rate and terms of the mortgage loan (referred to in this Agreement as the loan) for which you have applied with VAMortgageCenter.com. There are 3 (three) pages to this agreement.

### STATES THAT ARE EXEMPT FROM THIS DISCLOSURE

In the state of Kentucky, Vermont, Washington, Wisconsin and West Virginia, this loan pricing agreement will not apply. VAMortgageCenter.com is not licensed as a lender and only acts as a broker in the fore mentioned states and is not permitted to perform these duties.

### LOAN TERM OPTIONS

Because interest rates fluctuate, we are asking that you select one of the following options which will establish the interest rate, discount points and other terms of your loan. The option which you select will be indicated on page 3. One "discount point" equals one percent of the amount of your Loan. Please remember that the discount points provided by this Agreement are not the only fees you will be required to pay in connection with your Loan. You may also be required to pay an "origination fee" which will be a percentage of the amount of your loan. Please refer to the "Good Faith Estimate of Settlement Charges" you receive for an estimate of the points and fees you will have to pay. This Agreement is not a commitment to give you a mortgage loan. If your application is approved, the approval will be communicated to you. You must fulfill any approval conditions and comply with all the terms of the loan commitment prior to the closing of your loan.

#### OPTION A - LOCK

You have the option to establish the interest rate, discount and other terms of your loan at this time. This is referred to as "Locking Your Interest Rate, Discount Points and Terms." IF YOU PROCEED WITH THE FINANCING OF THE PROPERTY AND CHOOSE THIS OPTION, ALL PARTIES AGREE, SUBJECT TO LOAN APPROVAL, TO CLOSE THIS LOAN IN ACCORDANCE WITH THE ELECTION OF THE LOAN TERMS STATED ON PAGE 3, REGARDLESS OF CHANGES IN THE MARKET INTEREST RATE, DISCOUNT POINTS AND OTHER TERMS BETWEEN NOW AND THE LOCK EXPIRATION DATE. This means that even if the interest rate, discount points or other terms decrease, you will be subject to the terms of this Agreement, including those listed on page 3.

#### OPTION B - FLOAT

You also have the option to establish the interest rate, discount points and other terms of your loan at a later time with the understanding that you accept the risk of fluctuating interest rates. This option is generally referred to as "Floating or Market at Close" (MAC). **HOWEVER, IF YOU CHOOSE THIS OPTION, YOU SHOULD CLEARLY UNDERSTAND THAT BETWEEN NOW AND THE TIME YOU LOCK YOUR LOAN, THE INTEREST RATE, DISCOUNT POINTS, AND OTHER TERMS OF YOUR LOAN COULD INCREASE, DECREASE, CHANGE OR REMAIN THE SAME.**

**WE CANNOT ADVISE YOU WHEN CHANGES IN RATES OCCUR.** However, you may contact us during normal business hours to monitor changes in interest rates. We would prefer that you speak only to your Loan Officer. **WHEN YOU CHOOSE TO ESTABLISH THE INTEREST RATE, DISCOUNT POINTS AND OTHER TERMS AT A LATER DATE, YOU MUST ADVISE US OF THAT FACT.** Under this option you may elect to establish the terms of your loan at anytime prior to five (5) business days prior to the date of closing. All parties will then be required to sign a Lock-In Confirmation Addendum unless doing so would cause a delay of the closing.

#### OPTION C - SUBPRIME FLOAT

Subprime loans typically have the rate established by the lender or investor at the time the loan is accepted and or approved by them. These loans will float until such time as the rate/terms/fees are established. For subprime loans, the subprime float is not an option, it is mandatory and the rate/terms will normally only be good for a specified period, after which, new terms could be established.

### TERMS OF THIS AGREEMENT

1. Upon execution of this Agreement, you will pay an application fee of \$0.00. This sum is non-refundable, unless otherwise prohibited or disclosed, and will be applied toward the cost of the appraisal, credit report and initial processing of the loan. For FHA and VA Loans, or where state law mandates, this amount will be only for the credit report and appraisal.

2. If a Commitment Fee amount is provided in the space below, you are required to pay that fee upon the execution of this Agreement to bind VAMortgageCenter.com to the terms of this Agreement. It is a non-refundable fee unless the loan is denied. The fee will not be credited to discount points or other costs unless checked and initialed by a VAMortgageCenter.com employee below, provided the loan closed according to the terms of this Agreement or any Lock-In Addendum. If this is a refinance loan (other than a VA loan), the Commitment fee will not be credited toward your discount points or other costs if the loan does not fund on or before thirty (30) days of the date your loan is approved.

Commitment Fee: \$0.00  Applicable to costs or fees

3. Upon your payment of all required fees and your acceptance of this Agreement signed by an Authorized Representative of VAMortgageCenter.com, you agree to close this loan under the terms set forth in this Agreement provided the loan has been approved. **Upon approval of your loan application, this loan will be funded under the terms of this Agreement, provided that all lender stipulated approval and closing conditions have been satisfied and provided that the loan is closed and disbursed on or before the Lock-In Expiration Date (typically within 60 days of lock-in date; exceptions to notice for rate lock extensions).** If the loan is not funded and disbursed on or before the Lock-In Expiration Date, you will then be required to pay the higher of the originally locked interest rate and points or the current interest rate and points on the date you subsequently lock following the Lock-In Expiration Date. If this is a refinance loan (other than a VA loan), the loan must close and disburse the sooner of the Lock-In Expiration Date or thirty (30) days from the date of loan approval. If you do not fund within this time frame, any fees paid will not be refunded.
4. When your application is accepted for processing, the accuracy and completeness of the information you have provided is relied upon. By entering into this Agreement, you represent that all information you have given and will give is complete and correct. If any of the information is materially misleading or incorrect, this Agreement shall become null and void. This determination is solely at the discretion of VAMortgageCenter.com.
5. Commitment is hereby made to process, obtain a decision regarding the approval of your application and, if approved, close your loan in a timely manner.
1. You hereby acknowledge your understanding that there is a reliance on you to provide all requested information in a timely manner. You also hereby acknowledge that there is a reliance on third parties for items such as employment and deposit verifications, credit reports, appraisers, inspections, title commitments, pay-off statements, etc., and that third party delays may cause the actual processing, approval and closing time to exceed the Lock-In Expiration Date. You hereby acknowledge that you will hold VAMortgageCenter.com harmless for any delay you and/or any third party may cause that results in your loan going past the Lock-In Expiration Date.
  2. There are occasions where a loan application cannot be approved and also meet the terms and conditions of this Loan Pricing Agreement. This may be caused by (but not limited to) unacceptable borrower credit scores, derogatory borrower credit, limited borrower cash reserves or cash to close, the property being purchased or refinanced, etc. Under these circumstances, you may be offered different terms which you may or may not accept. Whether or not you accept or decline different terms, this agreement will become null and void. Commitment fees (if any) will be refunded, however, credit report and appraisal fees will not be refunded unless one or either of those services has not been performed.
6. When a transaction involves new construction or a property that requires repairs, no responsibility will be accepted by VAMortgageCenter.com or its lenders/investors for delays caused by a contractor, builder, repair person, inclement weather or Acts of God.
7. If you elect to transfer your loan application file to another lender for any reason except a loan denial, you will be charged a fee equal to not more than one percent (1%) of the loan amount unless prohibited by state law. VAMortgageCenter.com must receive that fee prior to transferring your application. In order to transfer your loan under any circumstances, VAMortgageCenter.com must be notified of your desire to transfer in writing. That written notification must contain the name, complete mailing address and telephone number of the company to whom you desire to transfer your loan package. The notice must contain the date and original signatures of all applicants. You acknowledge that if your loan is transferred to another lending entity that your request to transfer, whether specifically stated in your notice or not, authorizes VAMortgageCenter.com to transfer your entire loan application package including the credit report and all documents in whatever form, and all documents that you tendered to VAMortgageCenter.com. Your loan package must be transferred directly to the receiving lender and may not pass through your hands or those of any interested party to the transaction, including real estate agents, sales representatives or builders.
8. Once this Agreement is signed, it supersedes any and all other proposals, quotes, statements or understandings regarding the loan terms, written or oral. This Agreement cannot be changed, modified, or canceled except by a written modification signed by you and an Authorized Representative of VAMortgageCenter.com except as otherwise stipulated in this Agreement. This Agreement is not assignable to another borrower and is not valid on any other property.
9. You acknowledge that VAMortgageCenter.com is not a party to any contract you may have with any seller, builder, land owner, dealer or other financial institution. If the terms of this Agreement differ from any terms for financing in your contract with the seller, you are responsible for renegotiating that contract if necessary. You also hereby acknowledge that VAMortgageCenter.com has not, and will not, through any representations, conversations, actions, omissions or the actions of its employees establish a fiduciary, or agency relationship with you as the applicant/borrower.
10. **For FHA Loans Only:** This Agreement contemplates the loan being insured by FHA. The FHA requires that your loan meet all FHA conditions with respect to the property, Loan to Value ratio and your credit. If any of these conditions cannot be met or if FHA insurance is unavailable prior to the closing of your loan, VAMortgageCenter.com shall not be bound to the terms of this agreement.

**For VA Loans Only:** This Agreement contemplates Loan Guaranty by VA. The VA requires that your loan meet all VA conditions with respect to the property, Loan to Value ratio and your credit. The loan Guaranty plus the cash down payment must be equal to or greater than twenty-five percent (25%) of the purchase price of the property or the appraised value, whichever is less, and cannot be less than \$5,000. In the event that your loan does not meet these requirements or the VA Home Loan Guaranty Program is unavailable prior to the closing of your loan, VAMortgageCenter.com shall not be bound by the terms of this Agreement.

**For All Loans:** This agreement contemplates that your loan can be sold to FNMA, FHLMC, GNMA and certain other lenders or investors. If the authority to conduct business, to include issuing of Commitments, insuring mortgages and reserving funds for limited allocation programs is terminated for any reason by one or more of the above listed agencies applicable to this loan, this commitment/Agreement is void on the announced date and may be renegotiated at VAMortgageCenter.com's option.

**Borrower's Certification**

Please place an X in the appropriate box below to select either Option A or Option B, and initial your choice. Subprime borrowers must select Option C.

**OPTION A - LOCK**

I choose to establish the interest rate, discount points and other loan terms which are stated below:  
Borrower's Initials

ALL LOANS

Interest Rate 0.000% Discount Points 0% Origination Fee \$  
Buyer

Lock-In Expiration Date: Typically within 60 days of lock-in date; exceptions to notice for rate lock extensions.

ADJUSTABLE LOANS ONLY

Margin N/A % Frequency of Change Period N/A

Life of Loan Cap N/A % Per Adjustment Cap N/A %

**OPTION B - FLOAT**

I choose to float. In other words, I will accept the interest rate, discount points and other terms/fees in existence at the time I set my rate. I understand that the interest rate, discount points and other terms stated above in Option A do not apply to this option.  
Borrower's Initials

**OPTION C - SUBPRIME LOCK (MANDATORY)**

I understand that my loan is a subprime loan and therefore the rate, discount points, terms and fees will be set at some point in the future **after** a lender/investor has **approved** the loan. I also understand that this rate, discount points, fees and terms will normally only be honored for a specified period of time. I will be informed of what these terms are at the time of loan approval and understand that I may elect to proceed or not to proceed with this transaction at that time. Finally, I understand that any application fees tendered may not be refundable if I elect not to proceed with the transaction.  
Borrower's Initials

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When you receive a copy of this Agreement signed by an Authorized Representative of VAMortgageCenter.com, you have five (5) business days within which to sign this Agreement. However, once you have selected your option, no other option may be selected and you will have five (5) days to return this Agreement to VAMortgageCenter.com. This Agreement shall only be valid and binding if either Option A, B, or C above have been selected and initialed, your signature, as well as the signature of an Authorized Representative of VAMortgageCenter.com appear below and this Agreement is dated by all parties. If this Agreement is not returned within five (5) days, this Agreement will become null and void and VAMortgageCenter.com shall have no further obligation under this agreement whatsoever. During that five (5) day period, VAMortgageCenter.com will not revoke this Agreement.

This is an enforceable Agreement. Any attempts to breach this Agreement, after it is fully executed, by you or any other person, company, corporation or entity (except by VAMortgageCenter.com), or attempt to influence you to breach this agreement by any other person or business entity will result in VAMortgageCenter.com seeking all remedies available, including litigation.

By signing below, all parties acknowledge their understanding and acceptance of the terms and conditions of this Agreement. If you are unsure about any aspect of this Agreement, you should seek the advice of an attorney. THIS AGREEMENT DOES NOT CONSTITUTE A LOAN APPROVAL OR COMMITMENT.

\_\_\_\_\_  
Borrower Date Borrower Date

\_\_\_\_\_  
Authorized Representative's Signature Date