

LOAN PURPOSE AND REAL PROPERTY SECURITY DECLARATION

Date::
 Borrower:
 Property:
 Est. Loan Amount:

I/We ("Borrower") have applied to Pacific Private Money, Inc. Cal BRE #01897444 ; NMLS #945582 ("Broker") for a loan to be secured in part by a Deed of Trust on the real property known as described above.

If other properties will be used as security for the loan, complete a separate [Supplemental Real Property Loan Security Declaration for each property securing the loan.]

Each of the undersigned (collectively "**Borrower**") has applied for the Loan to be secured by the property(ies) set forth on one or more separate but related and incorporated Real Property Loan Security Declarations. Each Borrower is the person who will sign a promissory note ("Note") and deed(s) of trust ("Deed(s) of Trust") which will encumber the property(ies). "**Lender**" as used herein includes the original lender who funds the Loan as well as others to whom Lender may transfer all or a part of the ownership of the Loan.

Borrower represents, warrants, and declares to Lender that:

1. The Borrower has applied to Lender for the Loan to be secured by a Deed(s) of Trust on the Property. Borrower understands the importance of truthfully and accurately disclosing to Lender the information requested in this declaration including, but not limited to, the purpose(s) for which Borrower intends to use the Loan proceeds.

Borrower further understands Lender, its brokers, agents, and employees will rely on Borrower's representations in this declaration and in any Supplemental Real Property Loan Security Declarations to determine, among other things: (1) whether to make the Loan; (2) the terms and conditions of the Loan; (3) what disclosures may be required; and (4) whether Lender possesses the necessary license(s) to make or arrange the Loan.

2. Borrower is: ☐ **an individual** (natural person); ☐ **a corporation**, limited liability corporation, partnership, trust, estate, church, union, agency, association, cooperative, organization, government or governmental subdivision ("Entity"); or ☐ **both**.

For any Borrower that is an Entity (not an individual), please complete below the name of the Entity, and under capacity state the name and position pursuant to which the undersigned is authorized to act (for example, "Jane Smith" as president, secretary, managing member, general partner, trustee, etc.)

EACH BORROWER'S NAME (As you want it to appear on title and on the loan documents.) <div style="background-color: yellow; padding: 2px; display: inline-block;">[Full vesting]</div> <div style="background-color: yellow; padding: 2px; display: inline-block;">See addendum attached</div>	NAMES & CAPACITY OF PERSONS SIGNING FOR AN ENTITY BORROWER (e.g. individual, general partner, managing member, president, secretary, etc.)
Borrower/Entity:	
Borrower/Entity:	

3. Borrower intends to use the Loan proceeds for the purposes and in the amounts set forth below.

INSTRUCTIONS: Borrower must complete the following in his or her own hand in his or her own words. Please print legibly in ink. Itemize separately all payoffs of existing mortgages or liens. Attach additional pages if and as needed to provide a complete and accurate explanation. For each purpose or intended use of the Loan proceeds, please indicate the "USES" as personal="P", Business="B", or Agricultural="A".

"Personal use or purpose" loans are primarily for a "personal, family or household purpose or use." Such loans include, but are not limited to, loans to purchase, remodel, repair or improve a principal residence, a vacation home, or personal vehicle or boat, to purchase furniture, furnishings, appliances, or other consumer goods for personal use; to pay, refinance or consolidate personal or

family debt or credit cards; or for educational expenses, vacations, and medical expenses. These are often called “consumer loans” and are for a “personal purpose or use.”

“**Business use or purpose**” loans include, but are not limited to, loans to purchase, repair or improve real property for use in the Borrower’s business; to acquire, improve or maintain certain non-owner occupied rental property; to purchase, improve or repair tools, equipment, machinery, fixtures or furnishings used in Borrower’s business; for operating capital (e.g. employee salaries) or to purchase or pay for business inventory, supplies, rent, taxes, insurance, and other related expenses; or to pay off, refinance or consolidate business debts.

“**Agricultural purpose**” loans are for planting, propagating, nurturing, harvesting, catching, storing, exhibiting, marketing, transporting, processing or manufacturing food, beverages (including alcoholic beverages), flowers, trees, livestock, poultry, bees, wildlife, fish or shellfish by a natural person engaged in farming, fishing or growing crops, flowers, trees, livestock, poultry, bees or wildlife.

USE: Personal = "P" Business = "B" Agricultural = "A"	ITEMIZED PURPOSE (INTENDED USE) OF NET LOAN PROCEEDS (Further Explanation of "P," "B," and/or "A")	AMOUNT (Total should equal the approximate net loan proceeds)
	TOTAL	

If the proposed loan amount changes from the amount stated above, Borrower agrees to immediately, and before the close of escrow, notify Lender of any changes from those set forth above in the type and proportion of intended use of Loan proceeds.

4. Are the Loan proceeds to be used primarily to acquire, improve, or maintain rental property? **Yes** **No**

If your answer is “yes,” will Borrower or a relative or family member of Borrower occupy any residential housing unit on the property? **Yes** **No**

5. Part or all of the Loan proceeds **Will** **Will not** be used for demolition or construction of improvements on the Property.

6. The Property **[pick one]:**

_____ Is comprised of only residential units. The number of **residential units** is: _____.

_____ Is comprised of only *commercial, industrial, agricultural, retail property and/or vacant land*.

_____ Is comprised of mixed use property (part residential and part commercial, retail or industrial units).

The Property has [state number] **residential units** and **non-residential units**.

7. I **Do** **Do not** intend to occupy any housing unit on the Property as my personal residence if and when the Loan closes. **[Check “I do” if any Borrower will use the Property as his/her personal residence.]**

8. Each of the undersigned Borrower’s current principal residence is [state address]:

EACH BORROWER'S NAME	CURRENT PRINCIPAL ADDRESS

Therefore, this loan is being documented as:

_____ **Owner Occupied** _____ **Non-Owner Occupied** _____ **Not Applicable**

If "Non-Owner" is marked, I/we do not have any intention of ever making the property securing this loan y/our principal residence.

9. If the Property is wholly or partially residential rental property **[pick all that apply]:**

_____ It is rented to a third party (not a relative or family member) who pays, or will pay, fair market value rent.

_____ It is occupied by a relative or family member who pays, or will pay, fair market value rent.

_____ It is occupied by a relative or family member who does (or will) not pay rent or who pays (or will pay) less than fair market value.

_____ Not applicable because the Property does not contain a residential rental unit.

10. If the property is commercial, industrial, agricultural, retail property, vacant land or mixed use property or mixed use property **[check all applicable boxes]:**

_____ Borrower currently rents it to a third party to produce income.

_____ Borrower currently uses it in Borrower's business.

_____ Borrower currently uses it in Borrower's business.

_____ It is currently vacant land held exclusively for investment (i.e., for appreciation and resale) and not for any personal use.

_____ It is currently vacant land acquired exclusively for development and resale and not for personal use.

_____ It is currently vacant land upon which Borrower intends to build a personal residence or vacation home in the future.

_____ Other: _____

11. The Property _____ **Is** _____ **Is not** agricultural property which **[check all applicable boxes]:**

_____ Is comprised of 25 or more acres of land; and, _____ **Will** _____ **Will not** be used primarily for "agricultural purposes." (See **INSTRUCTION: above on "Agricultural purpose" loans.**)

12. Borrower _____ **Has** _____ **Has not** attached a separate Supplemental Real Property Loan Security Declaration for each property securing the loan other than the above listed Property.

13. Lender is requiring to know the source for repayment of the loan:

MONTHLY PAYMENTS:	SOURCE OF REPAYMENT:
BALLOON PAYMENT(S):	SOURCE OF REPAYMENT (EXIT STRATEGY):

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

NO UNDERSIGNED HAS COMPLETED ANY PORTION OF THIS FORM BASED UPON SUGGESTIONS OR DIRECTION FROM LENDER, LENDER'S AGENTS OR ANY BROKER, LOAN AGENT AND/OR MORTGAGE LOAN ORIGINATOR REGARDLESS OF WHOM THE BROKER OR LOAN AGENT CLAIMS TO REPRESENT.

The lender, broker and assignees and accessors may rely upon this certificate. I/We have read and understood the disclosure, and understand that the disclosure is a required part of the mortgage application as evidenced by my/our signature(s) below;

Executed at _____ (City), California

Applicant

Date

Co-Applicant

Date

VESTING INFORMATION ADDENDUM

PLEASE CHOOSE APPROPRIATE CHOICE FOR STATUS:

- ☐ A Single Man (never married)
☐ A Single Woman (never married)

- ☐ An Unmarried Man (divorced)
☐ An Unmarried Woman (divorced)

- ☐ A Widower (spouse deceased)
☐ A Widow (spouse deceased)

- ☐ A Married Man (as his sole and separate property)*
☐ A Married Woman (as her sole and separate property)*

☐ Sole and Separate Property (If married or domestic partnership, an Interspousal Grant Deed, a Quit Claim Deed, Statement Of Information and appropriate instructions will need to be submitted.)

*Please indicate name of spouse so Interspousal deed may be drawn:

- ☐ Husband and Wife *
☐ Wife and Husband *

CHECK TO COMPLETE THE VESTING IF MARRIED

- ☐ Community Property
☐ Community Property with Right of Survivorship
☐ Joint Tenants

- ☐ Tenants In Common (Please indicate each party's undivided interest _____ %)

- ☐ INC - Corporation (CA or Other State)- attach a signed copy of Articles of Incorporation, Corporate Resolution to borrow, Bylaws, EIN # and/or any addendums showing an authorized signer

- ☐ LLC - Corporation (CA or Other State)- attach a signed copy of Articles of Organization, Operating Agreement, EIN # and/or any addendums showing an authorized signer

- ☐ Partnership (Limited Or General)- attach a signed copy of Certificate of LP, Corporate Resolution to borrow, EIN # and/or any addendums showing an authorized signer

- ☐ A Trust (attach copy of Trust Agreement) and/or any addendums showing full name of the Trustee

- ☐ Other
