It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the property herein, if the contract purchase or the cost exceeds the reasonable value of the property established by the Veterans Administration. The purchaser 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 Veterans Administration.

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Date</th>
<th>Purchaser</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller</td>
<td>Date</td>
<td>Seller</td>
<td>Date</td>
</tr>
</tbody>
</table>
Interest Rate and Discount Disclosure Statement

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.

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 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.

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, 90 days), or may refuse to do so. This arrangement is commonly referred to as a lock-in agreement. Keep in mind that your agreement with the seller will also affect the date you can close your loan.

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 1.00% in the interest rate may require re-underwriting 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 re-underwriting, 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.

If you believe you have been subject to discrimination because of your race, color, religion, sex, familial status, or national origin, you should call HUD Fair Housing and Equal Opportunity Complaint hotline: 1(800)669-9777. This information must be delivered to you at the time of initial loan application. Return the original to your lender as proof of notification and keep a copy for your records. You, the borrower(s) must be certain that you understand the transaction. Sign below only after you have read this entire page. Seek professional advice if you are uncertain.

__________________________  ________________________
Borrower                                      Date

__________________________  ________________________
Co-borrower                                  Date

V010497
VA RATE REDUCTION CERTIFICATION

PREVIOUS LOAN:
Previous Loan Number ______________
Loan Amount $ ______________
Original Term ______________
Monthly payment $ ______________
Interest Rate ______________
Original Borrowers ______________________________

PROPOSED LOAN:
New Loan Number  PK1007951
Proposed Loan Amount $ ______________
Proposed Term
Proposed Monthly payment $ ______________
Interest Rate ______________
Borrowers: ________________________________  Date: ___________________________

TIME TO RECOUP CLOSING COSTS:
Monthly decrease in payments $ ______________
Total Closing Costs 1,940.35
Recoup Closing Costs _______ Months
I/We hereby certify that I/we understand the effect of the loan payment and interest rate involved in refinancing our home loan.

________________________________ Date: _________________________

________________________________ Date: _________________________

________________________________ Date: _________________________

Renee Gerke
### VERIFICATION OF VA BENEFITS

**PRIVACY ACT NOTICE:** The VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 5, Code of Federal Regulations 1.526 for routine uses (i.e., information concerning a veteran’s indebtedness to the United States by virtue of a person’s participation in a benefits program administered by VA may be disclosed to any third party, except consumer reporting agencies) as 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, and published in the Federal Register. Your obligation to respond is required to obtain or retain benefits. Giving us your SSN account information is voluntary. Refusal to provide your SSN by itself will not result in the denial of benefits. The VA will not deny an individual benefits for refusing to provide his or her SSN unless the disclosure of the SSN is required by a Federal Statute of law in effect prior to January 1, 1975, and still in effect.

**TO: NAME AND ADDRESS OF LENDER (Complete mailing address including ZIP code)**

**Peoples Mortgage**
4500 S Lakeshore Drive #150
Tempe, AZ 85282

#### INSTRUCTIONS TO LENDER

Complete this form **ONLY** if the veteran/applicant:
- is receiving VA disability payments; or
- has received VA disability payments; or
- would receive VA disability payments but for receipt if retired pay; or
- is surviving spouse of a veteran who died on active duty as a result of a service-connected disability
- has filed a claim for VA disability benefits prior to discharge from active duty service

Complete Items 1 through 10. Send the completed form to the appropriate VA regional Loan Center where it will be processed and returned to the Lender. The completed form must be retained as part of the lender’s loan origination.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>NAME OF VETERAN (First, middle, last)</td>
</tr>
<tr>
<td>2.</td>
<td>CURRENT ADDRESS OF VETERAN</td>
</tr>
<tr>
<td>3.</td>
<td>DATE OF BIRTH</td>
</tr>
<tr>
<td>4.</td>
<td>VA CLAIM FOLDER NUMBER (C-File No. if known)</td>
</tr>
<tr>
<td>5.</td>
<td>SOCIAL SECURITY NUMBER</td>
</tr>
<tr>
<td>6.</td>
<td>SERVICE NUMBER (if different from Social Security Number)</td>
</tr>
<tr>
<td>7.</td>
<td>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.</td>
</tr>
<tr>
<td>8.</td>
<td>I HEREBY CERTIFY THAT I ☐ HAVE ☑ HAVE NOT filed a claim for VA disability benefits prior to discharge from active duty service. (I am presently still on active duty.)</td>
</tr>
<tr>
<td>9.</td>
<td>SIGNATURE OF VETERAN</td>
</tr>
<tr>
<td>10.</td>
<td>DATE SIGNED</td>
</tr>
</tbody>
</table>

**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)

<table>
<thead>
<tr>
<th>Type of Debt(s)</th>
<th>Amount of Debt(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

**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 exempt from funding fee due to entitlement to VA compensation benefits upon discharge from service.
- Veteran is not exempt from funding fee due to receipt of nonservice-connected pension of $ monthly.
- 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**

**Respondent Burden:** We need this information to determine, establish, or verify your eligibility for VA Loan Guaranty Benefits and to determine if you are exempt from paying the VA Funding Fee. Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 5 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at [www.whitehouse.gov/library/omb/OMBINCV.html#VA](http://www.whitehouse.gov/library/omb/OMBINCV.html#VA). If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.
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: ___________________________
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.

____________________________________ _____________
DATE

____________________________________________ _______ ______
DATE

____________________________________________ _______ ______
DATE
# Debt Questionnaire

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**

---

VA FORM 26-0551  
OCT 2004

EXISTING STOCKS OF VA FORM 26-0551, APR 1989, WILL BE USED.

VA 26-0551 Debt Quest 09/05 ~ Encompass™ from Ellie Mae ~ www.elliemae.com
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 your 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 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. DO NOT BE MISLED! VA does not guarantee the CONDITION of the house which you are buying, whether it is new or previously occupied. VA guarantees only the LOAN. You may talk to many people when you are in the process of buying a house. Particularly with a previously occupied house, you may pick up the impression along the way that you need not be overly concerned about any needed repairs or hidden defects since VA will be sure to find them and require them to be repaired. This is NOT TRUE! In every case, ultimately, it is your responsibility to be an informed buyer and to assure yourself that what you are buying is satisfactory to you in all respects. Remember, VA guarantees only the loan – NOT the condition.

9. If you have any doubts about the condition of the house which you are buying, it is in your best interest to seek expert advice before you legally commit yourself in a purchase agreement. Particularly with a previously occupied house, most sellers and their real estate agents are willing to permit you, at your expense, to arrange for an inspection by a qualified residential inspection service. Also, most sellers and agents are willing to negotiate with you concerning what repairs are to be included in the purchase agreement. Steps of this kind can prevent many later problems, disagreements, and major disappointments.

10. Proper maintenance is the best way to protect your home and improve the chance that its value will increase.

11. If you are buying a previously owned house, you should look into making energy efficient improvements. You can add up to $6,000 to your VA loan to have energy efficient improvements installed. Consult your lender or the local VA office.

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

_________________________  __________________________
(Borrower’s Signature)      (Date)

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

_________________________  __________________________
(Lender’s Signature)         (Date)
SECTION I – PURPOSE, AMOUNT, TERMS AND SECURITY FOR LOAN

7. PURPOSE OF LOAN
   A. PURCHASE NEW CONDOMINIUM UNIT
   B. PURCHASE EXISTING HOME NOT PREVIOUSLY OCCUPIED
   C. PURCHASE EXISTING HOME PREVIOUSLY OCCUPIED
   D. PURCHASE MANUFACTURED HOME TO BUY LOT
   E. PURCHASE MANUFACTURED CONSTRUCTION HOME
   F. PURCHASE MANUFACTURED LOT
   G. PURCHASE MANUFACTURED CONDOMINIUM UNIT
   H. CONSTRUCTION OF NEW HOME
   I. PURCHASE MANUFACTURED LOT
   J. PURCHASE MANUFACTURED CONSTRUCTION HOME
   K. PURCHASE MANUFACTURED HOME
   L. PURCHASE MANUFACTURED LOT
   M. PURCHASE MANUFACTURED CONDOMINIUM UNIT
   N. PURCHASE MANUFACTURED CONSTRUCTION HOME
   O. PURCHASE MANUFACTURED HOME
   P. PURCHASE MANUFACTURED LOT
   Q. PURCHASE MANUFACTURED CONDOMINIUM UNIT
   R. PURCHASE MANUFACTURED CONSTRUCTION HOME
   S. PURCHASE MANUFACTURED HOME
   T. PURCHASE MANUFACTURED LOT

8. AMOUNT OF LOAN

9. TERMS OF LOAN
   A. DATE LOAN WAS CLOSED
   B. DATE LOAN PROCEEDS FULLY PAID OUT
   C. TERM OF LOAN
   D. DATE OF MATURITY
   E. RATE OF INTEREST PER ANNUM
   F. MONTHS
   G. YEARS
   H. PRESENT ADDRESS OF VETERAN
   I. NAME AND ADDRESS OF RELATIVE NOT LIVING WITH VETERAN
   J. ESTATE IN PROPERTY IS (38 CFR 36.4350)
   K. TYPE OF LIEN (38 CFR 36.4351)
   L. TITLE OF PROPERTY IS VESTED IN THE FOLLOWING PERSON(S)
   M. DATE LOAN WAS CLOSED
   N. LENDER'S VA IDENTIFICATION NUMBER
   O. LENDER'S LOAN NUMBER
   P. VA LOAN NUMBER

10. TERS OF MAINTENANCE
   A. PRINCIPAL AND INTEREST PAYABLE EACH PERIOD
   B. RATE OF INTEREST PER ANNUM
   C. DATE OF NOTE
   D. DATE OF FIRST PAYMENT

11. TITLE OF PROPERTY IS WELT ON THE FOLLOWING PERSON(S)
   A. VETERAN
   B. VETERAN AND SPOUSE
   C. VETERAN AND OCCUPANT
   D. OTHER (Specify)

12. ESTATE IN PROPERTY IS (38 CFR 36.4350)
   A. FEB 2004
   B. APR 2004
   C. JUN 2004
   D. JUN 2005
   E. JUN 2006
   F. JUN 2007
   G. JUN 2008
   H. JUN 2009
   I. JUN 2010
   J. JUN 2011
   K. JUN 2012
   L. JUN 2013
   M. JUN 2014
   N. JUN 2015
   O. JUN 2016
   P. JUN 2017
   Q. JUN 2018
   R. JUN 2019
   S. JUN 2020
   T. JUN 2021
   U. JUN 2022
   V. JUN 2023
   W. JUN 2024
   X. JUN 2025
   Y. JUN 2026
   Z. JUN 2027

13. APPROPRIATE ANNUAL REAL ESTATE TAXES
   A. INSURANCE
   B. FLOOD (Where applicable)
   C. LEASEHOLD
   D. LEASEHOLD (Expiration date)
   E. Other (Specify)

14. ANNUAL MAINTENANCE ASSESSMENT
   A. INSURANCE
   B. FLOOD (Where applicable)
   C. OTHER (Specify)

15. TOTAL UNPAID SPECIAL ASSESSMENTS
   A. INSURANCE
   B. FLOOD (Where applicable)
   C. OTHER (Specify)

16. APPROPRIATE ANNUAL SPECIAL ASSESSMENT PAYMENT
   A. INSURANCE
   B. FLOOD (Where applicable)
   C. OTHER (Specify)

17. TOTAL UNPAID SPECIAL ASSESSMENTS
   A. INSURANCE
   B. FLOOD (Where applicable)
   C. OTHER (Specify)

18. TOTAL UNPAID SPECIAL ASSESSMENTS
   A. INSURANCE
   B. FLOOD (Where applicable)
   C. OTHER (Specify)

19. TOTAL UNPAID SPECIAL ASSESSMENTS
   A. INSURANCE
   B. FLOOD (Where applicable)
   C. OTHER (Specify)

20. DESCRIBE ADDITIONAL SECURITY TAKEN AND LIST OF OTHER (Including Spouse) LIABLE ON INDEBTEDNESS, IF ANY

SECTION II – LENDER’S CERTIFICATION

24. I, THE UNDERSIGNED LENDER, CERTIFY THAT:
   A. If this loan was closed under the automatic procedure, no default exists which has continued for more than 30 days.
   B. The loan application has not been required to assign any charges or fees against the veteran borrower in excess of those permissible under the schedule set forth in paragraph (d) of 38 CFR 36.4312.
   C. The information furnished in Section I is true, accurate and complete.
   D. The information contained in the loan application was obtained directly from the veteran by an employee of the undersigned lender or the lender’s duly authorized agent and is true to the best of the lender’s knowledge and belief.
   E. The loan application was submitted on the subject veteran (and co-borrower, if any) was applied by the undersigned lender or the lender’s duly authorized agent directly from the credit bureau which prepared the report and was received directly from said credit bureau.
   F. The verification(s) of employment and verification(s) of deposits were requested and received by the lender or the lender’s duly authorized agent without passing through the hands of any third persons and are true to the best of the lender’s knowledge and belief.
   G. This report was signed by the veteran after Sections I, II and III were completed.
   H. VA Forms 26-5053, Federal Collection Policy Notice, and 26-5051, Debt Questionnaire, were signed by the veteran and a signed copy of each was furnished to the veteran. (NOTE: These forms are not required for the loan in which the URLA and HUD/VA Addendum are used.)
   I. This loan to the named veteran meets the income and credit requirements of the governing law in the judgment of the undersigned.
   J. The loans and functions of any duly authorized agent or employee developed on behalf of the lender any of the information or supporting credit data submitted are as follows:

   NAME
   a. 
   b. 
   c. 
   d. 
   e. 

   ADDRESS
   a. 
   b. 
   c. 
   d. 
   e. 

   FUNCTION
   (a.) 
   (b.) 
   (c.) 
   (d.) 
   (e.) 

If no agent is shown above, the undersigned lender affirmatively charges that all information and supporting credit data were obtained directly by the lender.

K. The undersigned lender understands and agrees that the lender is responsible for the acts of agents identified in Item 24J as to the functions with which they are charged.

L. The loan conforms with the applicable provisions of Title 38, U.S. Code and the Regulations concerning guaranty or insurance of loans to veterans.

M. COMPLETE WHERE AUTHORIZED BY CERTIFICATE OF REASONABLE VALUE.

N. Any construction, repairs, alterations, or improvements upon which the reasonable value of the property is predicated and which were not inspected and approved subsequent to completion by a compliance inspector designated by the Secretary have been completed properly.

O. The loan has been approved for the prior approval of the VA, the proceeds of the loan were expended for the purposes described in the loan application or refinancing proposal originally submitted for the prior approval of the VA and in the amounts shown in the statement of loan disbursement and costs of HUD Form 1 that is attached to and incorporated in this report.
O. Any deviations or changes in the security of the property from that set forth in the plans and specifications upon which the original appraisal was based are itemized in an attachment hereof and have been approved as required in 38 C.F.R. 43-430 and have been completed properly.

P. If this is a refinancing loan under section 3710(a)(5) of title 38, U.S.C., the veteran’s secured liens record identified on the property and shown on the loan application, and any debts listed on the application which were not secured by liens of record and which were to have been retired from the proceeds of the loan, have, in fact, been paid in full. The amount of cash, if any, shown as paid to the veteran on the statement of loan disbursement and costs or HUD Form 1 that is attached to and incorporated in this report, was, in fact, disbursed to him or her personally.

Q. If this loan is required to be personally reviewed and approved by a VA-approved underwriter, the name of that underwriter is as follows:

25A. NAME AND ADDRESS OF LENDER

Peoples Mortgage
4500 S Lakeshore Drive #150, Tempe, AZ 85282

26B. TELEPHONE NO. OF LENDER

480-752-3530

PRIVACY ACT INFORMATION: The information requested on this form (except social security number) is authorized by 38 U.S.C. 3704(c) and 3710. The Debt Collection Act of 1952, Pub. L. 97-385, requires persons applying for a federally insured or guaranteed loan to furnish his or her social security number. The information on this form will be used in your best interest to determine your qualification for the benefit as allowable by law. Your answers on the form may be given outside VA only if authorized under the Privacy Act, including the routine uses (for example: Authorize release of information to Congress when requested on behalf of a veteran for statistical purposes in specific geographic regions) identified in VA system of records, 55VA26. Loan Guaranty Home, Condominium and Manufactured Home Loan Application Records and Specialty Adapted Housing Applicant Records-VA, published in the Federal Register. Failure to provide any of the requested information, including social security number, may result in disapproval of your loan application.

NOTICE TO BORROWERS: This notice is to you as required by the Right to Financial Privacy Act of 1979 that the VA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to VA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

SECTION III – VETERAN’S CERTIFICATION

(To be executed by the veteran on the date loan is closed)

27. As a GI home loan borrower you will be legally obligated to make the mortgage payments called for by your mortgage loan contract. The fact that you dispose of your property after the loan has been made will NOT RELIEVE YOU OF LIABILITY FOR MAKING THESE PAYMENTS.

Some GI home loan buyers have the mistaken impression that if they sell their homes when they move to another locality, or dispose of it for any other reason, they are not responsible for the mortgage payments. This is not true, and it is entirely for these payments that liens are recorded against the property. Even though the new owner may agree in writing to assume liability for your mortgage payments, this agreement assumption will not relieve you from liability to the holder of the note which you signed when you obtained the loan to buy the property. Also, unless you are able to sell the property to a creditworthy buyer who is acceptable to the VA and who will assume the payment of your obligations to the lender and the Department of Veterans Affairs, you will not be relieved from liability to repay any guaranty payment which the VA may be required to pay your lender on account of default in your loan payments.

THE AMOUNT OF ANY SUCH CLAIM PAYMENT WILL BE A DEBT OWED BY YOU TO THE FEDERAL GOVERNMENT. This debt will be the object of established collection procedures. Payment of the loan in full ordinarily is the way in which continuing liability on a mortgage note is ended.

Therefore, if you expect to move from the area in which you are now considering the purchase of a home and should you be unable to sell such home with the purchaser obtaining new financing to pay off your loan, you should understand that you may continue to be liable to the holder of your mortgage and the Department of Veterans Affairs.

I, THE UNDERSIGNED VETERAN, CERTIFY THAT:

a. I have read and understand the foregoing concerning the liability on the loan.

b. Occupancy:

(1) I now actually occupy the above-described property as my home or intend to move into and occupy said property as my home within a reasonable period of time or intend to reoccupy it after the completion of major alterations, repairs or improvements.

(2) My spouse is on active military duty and in his or her absence, I occupy or intend to occupy the property securing this loan as my home.

(3) I previously occupied the property securing this loan as my home. (For interest rate reduction loans.)

(4) While my spouse was on active military duty and unable to occupy the property securing this loan, I previously occupied the property that is securing this loan as my home. (For interest rate reduction loans.)

NOTE: If Item b(2) or b(4) is checked the veteran’s spouse must also sign Item 32 below.

c. I have been informed that $ is the reasonable value of the property as determined by VA.

IF THE CONTRACT PRICE OR COST EXCEEDS THE VA REASONABLE VALUE, COMPLETE EITHER ITEM D OR E.

d. I was aware of this valuation when I signed my contract and I have paid or will pay in cash from my own resources at or prior to loan closing a sum equal to the difference between the contract purchase price or cost and the VA reasonable value. I do not and will not have outstanding after loan closing any unpaid contractual obligation on account of such cash payment.

e. I was not aware of this valuation when I signed my contract but have elected to complete the transaction at the contract purchase price or cost. I have paid or will pay in cash from my own resources at or prior to loan closing a sum equal to the difference between the contract purchase price or cost and the VA reasonable value. I do not and will not have outstanding after loan closing any unpaid contractual obligation on account of such cash payment.

f. Neither I, nor anyone authorized to act for me, will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the dwelling of property covered by this loan to any person because of race, color, religion, sex or national origin. I recognize that any restrictive covenant on this property relating to race, color, religion, sex or national origin is illegal and void and civil action for preventive relief may be brought by the Attorney General of the United States in any appropriate U.S. District Court against any person responsible for the violation of the applicable law.

9. I AM AWARE THAT VA DOES NOT WARRANT THE CONDITION OR VALUE OF THE PROPERTY.

IF CERTIFICATE OF ELIGIBILITY REQUIRES CERTIFICATION OF ACTIVE DUTY STATUS, FOLLOWING CERTIFICATION MUST BE CHECKED.

28A. VETERAN

(If you do not wish to complete items 28B and 28C, please initial here)

28B. ETHNICITY

HISPANIC OR LATINO

NOT HISPANIC OR LATINO

28C. RACE/NATIONAL ORIGIN

AMERICAN INDIAN

OR ALASKA NATIVE

OR NATIVE HAWAIIAN

OR OTHER PACIFIC ISLANDER

ASIAN

BLACK OR AFRICAN AMERICAN

MALE

FEMALE

28D. SEX

MALE

FEMALE

30. DATE SIGNED

31. SIGNATURE OF VETERAN (Read Certifications Carefully before Signing)

32. SIGNATURE OF SPOUSE (If applicable)

Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or Criminal Connnivance or conspiracy purposefully to influence the issuance of any guaranty or insurance by the department of Veterans Affairs.
# REQUEST FOR A CERTIFICATE OF ELIGIBILITY

**TO**
Department of Veterans Affairs
Eligibility Center
P.O.Box 20729
Winston-Salem, NC 27120.

**NOTE:** Please read information on instruction page before completing this form. If additional space is required, attach a separate sheet.

1. **FIRST-MIDDLE-LAST NAME OF VETERAN**
2. **DATE OF BIRTH**
3. **VETERAN’S DAYTIME TELEPHONE NO.**

4a. **ADDRESS OF VETERAN** (No., street or rural route, city or P.O., State and ZIP Code)
5. **MAIL CERTIFICATE OF ELIGIBILITY TO:** (Complete ONLY if the Certificate is to be mailed to an address different from the one listed in item 4a)

4b. **E-MAIL ADDRESS OF VETERAN** (if applicable)

### 6. MILITARY SERVICE DATA (ATTACH PROOF OF SERVICE – SEE PARAGRAPH "D" ON INSTRUCTION PAGE)

<table>
<thead>
<tr>
<th>A. ITEM</th>
<th>B. PERIODS OF ACTIVE SERVICE</th>
<th>C. NAME (Show your name exactly as it appears on your separation papers or Statement of Service)</th>
<th>D. SOCIAL SECURITY NUMBER</th>
<th>E. SERVICE NUMBER (If different from Social Security No.)</th>
<th>F. BRANCH OF SERVICE</th>
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7A. **WERE YOU DISCHARGED, RETIRED OR SEPARATED FROM SERVICE BECAUSE OF DISABILITY OR DO YOU NOW HAVE ANY SERVICE-CONNECTED DISABILITIES?**
   - YES
   - NO (If "Yes," complete Item 7B)

7B. **VA CLAIM FILE NUMBER**

### 8. PREVIOUS VA LOANS (Must answer N/A if no previous VA home loan. DO NOT LEAVE BLANK)

<table>
<thead>
<tr>
<th>A. ITEM</th>
<th>B. TYPE (Home, Refinance, Manufactured Home, or Direct)</th>
<th>C. ADDRESS OF PROPERTY</th>
<th>D. DATE OF LOAN</th>
<th>E. DO YOU STILL OWN THE PROPERTY? (YES/NO)</th>
<th>F. DATE PROPERTY WAS SOLD (Submit a copy of HUD-1, Settlement Statement, if available)</th>
<th>G. VA LOAN NUMBER (If known)</th>
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I **CERTIFY THAT** the statements herein are true to the best of my knowledge and belief.

9. **SIGNATURE OF VETERAN** (Do NOT print) 10. **DATE SIGNED**

**FEDERAL STATUTES PROVIDE SEVERE PENALTIES FOR FRAUD, INTENTIONAL MISREPRESENTATION, CRIMINAL CONNIVANCE OR CONSPIRACY PURPOSED TO INFLUENCE THE ISSUANCE OF ANY GUARANTY OR INSURANCE BY THE SECRETARY OF VETERANS AFFAIRS.**

**FOR VA USE ONLY**

**11A. DATE CERTIFICATE ISSUED**

**11B. SIGNATURE OF VA AGENT**
INSTRUCTIONS FOR VA FORM 26-1880

PRIVACY ACT NOTICE: VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 38, Code of Federal Regulations 1.576 for routine uses (for example: to a member of Congress inquiring on your behalf 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, and published in the Federal Register. Your obligation to respond is required in order to determine the veteran’s qualifications for a loan.

RESPONDENT BURDEN: This information is needed to help determine a veteran’s qualification for a VA guaranteed home loan. Title 38, U.S.C., section 3702, authorizes collection of this information. We estimate that you will need an average of 15 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at www.whitehouse.gov/omb/library/OMBINV.VA.EPA.html. If desired, you can call 1-800-827-1000 to get information on where to send your comments or suggestions about this form.

A. Mail this completed form, along with proof of service, to the Eligibility Center at P.O. Box 20729, Winston-Salem, NC 27120.

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 for a 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 have been discharged or released 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 have been discharged or released 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 service before the completion 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 Ready Reserve or any 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.

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.
Department of Veterans Affairs

Rights of VA Loan Borrowers
(Important Notice)

PK1007951

You have certain rights as a VA loan borrower that you should know about. These include:

Assumable Loan. For all VA loans committed on or after March 1, 1988, you may sell your home to someone who agrees to assume your loan if the loan holder or VA approves the creditworthiness of the purchaser(s). If the purchaser(s) is creditworthy and assumes the liability to the lender and VA to the same extent that you did when you obtained the loan, you will be released from liability on the loan. To obtain a release from liability, you should check with the company to whom you make your payments before you sell your home. The loan may become immediately due and payable if you do not obtain approval of the loan assumption before selling your home. Keep in mind that you will not be able to get another VA loan with the entitlement that you used for this loan until the property is sold and the loan is paid in full unless the purchaser is a veteran and can qualify for substitution of entitlement. The local VA office can provide you with details concerning substitution of entitlement.

No Prepayment Penalty. If you pay off your loan early, your lender cannot require that you pay a prepayment penalty.

No Late Charge Unless Payment Is More Than 15 Days Overdue. Also, late charge may not exceed 4 percent of payment amount.

These rights apply to you and, if you sell your home, to any buyer who assumes your loan. Some mortgage notes used by lenders may have provisions which seem to take away these rights. However, the lender cannot enforce these provisions for a VA loan.

Your loan is guaranteed or insured under Title 38, United States Code. This law and the regulations that are in effect on the date your loan is closed govern the rights, duties, and liabilities of you and the lender. Any provision of any instrument executed in connection with your loan which is inconsistent with this law or the regulations is invalid.

If your loan has been funded by a State or local housing program, these basic rights may not apply to you. If you are a participant in this type of program you should receive a notice stating the restrictions that apply to your loan.

If you believe your rights as a VA loan borrower are being violated by the lender, or if you have any questions about your loan which the lender cannot answer to your satisfaction, please contact the local VA office for assistance.

X
Applicant

________________________________________  Date

X
Co-Applicant

________________________________________  Date

VA FORM
DEC 1998  26-8978

VA 26-8978 Borrower Rights 04/04 ~ Encompass™ from Ellie Mae ~ www.elliemae.com
THE VETERANS ADMINISTRATION REQUIRES THE NAME, ADDRESS AND PHONE NUMBER OF YOUR NEAREST LIVING RELATIVE. PLEASE COMPLETE THIS INFORMATION BELOW:

THANK YOU

PEOPLES MORTGAGE COMPANY

Name: ___________________________________________

Address: ___________________________________________

City, State, ZIP Code: ___________________________________________

Phone Number (if known (__________

Signature of Veteran