



FINANCING DISCLOSURE STATEMENT  
FINANCING AGREEMENT

Date: \_\_\_\_\_

Borrower(s) Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

Thank you for applying for a mortgage loan with CPG Mortgage, LLC. Your selection of CPG Mortgage, LLC may be based in part on the interest rate and number of total points that CPG Mortgage, LLC is offering under certain loan programs. The purpose of this Financing Disclosure Statement and the accompanying Exhibit A, (hereinafter collectively referred to as the financing agreement), is to afford you, the borrower, an opportunity to select a financing program that meets your needs and to clarify the terms and conditions of the alternatives offered by CPG Mortgage, LLC. It is intended to supplement the other disclosure documents that have or will be given to you, such as the Good Faith Estimate of Closing Costs, the Regulation Z Advance Disclosure Statement and the Program Disclosure Statement, which documents are incorporated into this Financing Disclosure Statement by this reference and to which you should refer for more details regarding your loan application. Employees of CPG Mortgage, LLC do not have the authority either in writing or orally to vary the terms and conditions outlined in either this Financing Disclosure Statement or the attached Lock-in Disclosure Statement, except in writing by the Managing Partner, nor should you rely on any representation or warranty that is inconsistent with either this Financing Disclosure Statement or the attached Financing Agreement.

**I. OPTION TO LOCK-IN OR FLOAT.** Interest rates and points fluctuate according to market conditions and are based primarily on what it costs us to obtain money to make mortgage loans. CPG Mortgage, LLC understands such fluctuations may have a serious impact on you. Therefore, subject to the conditions detailed below, CPG Mortgage, LLC offers you two options for determining the interest rate and total number of points associated with your loan. Please keep in mind that CPG Mortgage, LLC does not offer the same option on all of our loan programs. You must choose one option, and your selection applies only to the loan for which you originally apply. **THE ATTACHED FINANCING AGREEMENT CONSTITUTES NEITHER AN APPROVAL ON YOUR LOAN NOR A COMMITMENT BY CPG MORTGAGE, LLC TO MAKE YOU A LOAN.** Rather, the attached Financing Agreement is issued for the sole purpose of disclosing the choices available to you to establish the rate or interest and total amount of points for your loan. For the purpose of this Agreement, points consist of the origination or processing fee and discount points, as hereinafter defined:

**CONVENTIONAL:** One point equals one percent (1%) of the original principal amount of your mortgage loan.

**A. LOCK-IN.** In the attached Financing Agreement, you may elect to reserve the interest rate and total points for your loan application for a specified number of calendar days from the date of such Financing Agreement. This reservation is referred to as a “lock-in”, and the number of days your rate and points are reserved is referred to as the “lock-in period”. If you elect to lock-in subject to the terms and conditions detailed below, the interest rate and points on your loan will not change during the lock-in period, regardless of any increases or decreases in the rate and points subsequently offered by CPG Mortgage, LLC. The lock-in will expire at the close of business (5:00 pm) on the last day of the lock-in period, unless extended by CPG Mortgage, LLC to 12:00 midnight.

**B. FLOAT.** Alternatively, you may elect to “float” or to defer a decision to lock-in the interest rate and total points until a later date. The actual rate of interest and number of points will depend

upon the prevailing market conditions and the terms offered to the public at the time of your lock-in. These terms may be either higher or lower than the rate and points being offered by CPG Mortgage, LLC at the present time. We require that your loan be locked-in within 10 (ten) calendar days prior to your scheduled settlement date. Thus, if you have not locked-in prior to that date, CPG Mortgage, LLC will automatically lock-in your loan at the prevailing interest rate and points in effect at that time and send written confirmation by mail. See paragraph IV, Expiration and Extension of Lock-In Period. It is your responsibility to notify CPG Mortgage, LLC of any change in your scheduled settlement day. For loans secured by properties in Maryland, state law requires that your loan be locked-in prior to 72 (seventy two) hours of your scheduled settlement date. Thus, if your loan has not been locked-in prior to that date, CPG Mortgage, LLC will automatically lock-in your loan at the prevailing interest rate and points in effect at that time.

**C. ELECTION OF OPTIONS.** The option to lock-in or float the interest rate and points is entirely your choice. Employees of CPG Mortgage, LLC have no authority to advise you of such matters nor should you rely on such advice. Election of an option may be made on the attached Financing Agreement.

If you elect to float, it will be your responsibility to monitor CPG Mortgage, LLC's current loan terms in order to determine when to lock-in. Rates and points may be monitored daily by contacting your loan officer. Rates and points are subject to change at any time. In order to lock-in you must contact your loan officer between the hours of 9am and 5:30pm, Monday thru Friday advising them of your intention to lock-in. CPG Mortgage, LLC will mail written confirmation within 3 (three) business days, by which the confirmation must be executed and returned by the borrower within 7 (seven) business days or at least 3 (three) days prior to your scheduled settlement date.

CPG Mortgage, LLC is not bound by terms and conditions of the contract of sale of the subject property. It is the borrower's sole responsibility to ensure that his or her election conforms to the conditions of the contract.

**II. CONDITIONS TO LOCK-IN.** If you elect to lock-in pursuant to the attached Financing Agreement, such lock-in shall be subject to the following conditions, which conditions must be satisfied in all material respects in order for the loan to be approved and closed within the lock-in period.

A. Your loan application must be approved, and the loan closed within the lock period, in accordance with the processing and underwriting and all federal rules and regulations, and if applicable, those of any private mortgage insurer that may insure your loan and/or the investors that may purchase your loan from CPG Mortgage, LLC. For example, both the appraisal of the property and the borrower's income as verified by us must support the type and amount of the requested loan; in addition; the credit report must not reveal any material derogatory credit information.

B. An appraisal fee and a credit report fee must be paid to CPG Mortgage, LLC before it initiates the processing of the loan. These fees are non-refundable.

C. If you change your request for the amount of the loan, type of loan or the property to be purchased, you must execute a new Financing Agreement, which shall supersede all prior Financing Agreements.

**III. LIMITATIONS TO LOCK-IN.**

A. **Reliance on Third Parties.** CPG Mortgage, LLC represents that under normal conditions, it should take approximately 60 (sixty) days to process a loan from the date we receive a completed application. Although, we do not commit to make the loan within this time frame. Based upon our past experiences, we believe the lock-in period is a reasonable amount of time in which to close the loan. Not all loans, however, will close within the lock-in period. CPG Mortgage, LLC's decision to make a loan is based in part on (1) its review of materials that are provided by you or are prepared by persons who are not our employees, and (2) the review and approval of the loan by private companies which may insure your loan, or the investors to which we may sell the loan, or from the bank providing the funds to close the loan.

IN MANY CASES, THE DELAY IS DUE TO THE ACTIONS OR THE INACTIONS OF AN INDEPENDENT THIRD PARTY OVER WHICH CPG MORTGAGE, LLC EXERCISES NO CONTROL AND FOR WHICH IT ASSUMES NO RESPONSIBILITY. For example, if you have a history of job instability, it may take CPG Mortgage, LLC more time to obtain the information it needs in order to determine whether you can adequately meet the debt service. The companies to which CPG Mortgage, LLC writes to verify the status of your liabilities may not respond promptly. In addition, experience indicates that during periods of low interest rates, the volume may strain the capacity of persons or companies to conduct the required inspections and analyses or to respond to

our inquiries. In good faith, CPG Mortgage, LLC will seek to obtain in a timely fashion all the required materials and approvals it needs from third parties to complete our processing and approval within the lock-in period.

B. **Representative Reasons for Delay.** We have detailed below a list of representative reasons that may cause a delay in loan approval that may be beyond the control of CPG Mortgage, LLC in a specific case. This list is not exhaustive. Some or all of these reasons may apply in your case, or other reasons may arise:

1. Obtaining up-to-date satisfactory credit information from outside sources, including credit reports, and verification of employment, deposits, down-payment, gift funds, outstanding loans, and other assets and liabilities.
2. Obtaining satisfactory information from outside sources on the value and condition of, and title to the property securing the loan, including: appraisals, wood infestation/termite reports, environmental reports, use and occupancy certificates, evidence of utilities or energy efficiency, status of construction or repair, surveys and title reports.
3. Obtaining satisfactory evidence of insurance, including hazard, flood, if applicable and title.
4. Obtaining approval from private companies insuring the proposed loan, particularly if their standards for approval change during the progress of construction; and
5. Obtaining approval of the investor that will purchase your loan from us, (if applicable).

#### **IV. EXPIRATION AND EXTENSION OF LOCK-IN.**

While CPG Mortgage, LLC will take reasonable steps to close your loan within the lock period, CPG Mortgage, LLC cannot guarantee it will close on time. FOLLOWING THE EXPIRATION OF THE LOCK-IN PERIOD, CPG MORTGAGE, LLC WILL EXTEND THE LOCK-IN FOR A MAXIMUM OF 30 CALENDAR DAYS AT THE HIGHER OF (1) THE ORIGINAL RATE AND POINTS OR (2) THE PREVAILING INTEREST RATE AND POINTS IN EFFECT AT THAT TIME.

#### **V. FEES.**

By your execution of this agreement and the Financing Agreement, you acknowledge your understanding and agreement prior to loan closing, CPG Mortgage, LLC may collect certain fees for disbursement to third parties for service to be performed by such third parties.

#### **VI. OWNERSHIP OF LOAN FILE.**

All of the documents and information obtained by CPG Mortgage, LLC in the course of processing and underwriting this loan are the sole property of CPG Mortgage, LLC, and the borrower has no ownership interest of any type in such loan file, except where provided under applicable law. CPG Mortgage, LLC has no obligation to transfer the loan file to another lender at the request of the applicant, and CPG Mortgage, LLC may demand reimbursement for our expense and efforts incurred up to 1% (one percent) of the originally requested loan amount as a condition of such transfer.

#### **VII. SETTLEMENT.**

Certain investors who purchase loans from us require as a condition of approval that the settlement papers be prepared in their corporate name as investors. Applicants agree to accept this procedure when required.

#### **VIII. CANCELLATION OF PRIVATE MORTGAGE INSURANCE (PMI).**

IT IS POSSIBLE THAT ANY COMPANY THAT MAY OWN YOUR LOAN IN THE FUTURE MAY PERMIT YOU, UPON REQUEST, TO CANCEL SUCH INSURANCE UPON THE SATISFACTION OF CERTAIN ELIGIBILITY REQUIREMENTS AND CONDITIONS THAT THEN MAY BE IN EFFECT. CPG MORTGAGE, LLC OFFERS NO ASSURANCE, HOWEVER, THAT AT ANY TIME IN THE FUTURE YOU WILL HAVE AN ABSOLUTE RIGHT TO CANCEL THE PRIVATE MORTGAGE INSURANCE COVERING YOUR LOAN.

#### **IX. CONDITION OF PROPERTY.**

CPG Mortgage, LLC makes no representation, warranty or guarantee of any kind to you regarding the value, condition or suitability of the property and residence that you are purchasing. Any inspections that CPG Mortgage, LLC may undertake or cause to be undertaken is solely to assist in determining whether to make the mortgage loan.

**CPG MORTGAGE, LLC HOPES THIS FINANCING DISCLOSURE STATEMENT CLARIFIES THE MANNER IN WHICH THE RATE OF INTEREST AND NUMBER OF POINTS FOR YOUR LOAN WILL BE DETERMINED. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

BY SIGNING BELOW, I HEREBY ACKNOWLEDGE THAT I HAVE READ, AND UNDERSTAND THE TERMS OF THIS FINANCING DISCLOSURE STATEMENT AND THE FINANCING AGREEMENT AND AGREE TO BE BOUND BY SUCH TERMS.

Borrower: \_\_\_\_\_

Co-Borrower: \_\_\_\_\_

Date: \_\_\_\_\_