MARYLAND FINANCING AGREEMENT AND COMMITMENT LETTER

Commercial Law Article 12-125; 14-1702 and
Financial Institutions Article 11-517

Financing Agreement

Loan Originators must provide a Financing Agreement (Example “A”) to the borrower on all loans secured by a one to four unit owner occupied property located in the state of Maryland.

Wholesale

On Wholesale transactions, the Originator (Loan Officer/Broker) must sign and provide the Financing Agreement within 10 days of the application date. The terms of the Financing Agreement must match the terms offered to the borrower and provided in the initial GFE.

Retail

On Retail Transactions, the Paramount Residential Mortgage Group, Inc.’s (“PRMG”) Loan Officer must provide a Financing Agreement to the borrower. The Financing Agreement will automatically generate with Doc Magic’s initial disclosures. Once the Loan Officer generates the initial disclosure package, PRMG’s Loan Officer must print the Financing Agreement from initial disclosure package and sign the document. The Loan Officer must give the executed Financing Agreement to the borrower within 10 days of the application date.

Commitment Letter

PRMG must provide a Commitment Letter (Example “B”) to the borrower outlining the finalized terms of the transaction at least 72 hours (“Waiting Period”) prior to closing on all loans secured by a one to four unit owner occupied property located in the state of Maryland.

Wholesale

PRMG’s Account Manager or Underwriter must provide a Commitment Letter once the loan is BOTH approved AND locked but no later than 72 hours prior to closing. FastTrac will generate a Commitment Letter under “Doc Packages → Underwriting – DocMagic.” PRMG’s Account Manager or Underwriter must sign this document and email it to the Borrower. They must
also upload copies of the email and signed disclosure into Imageflow under the “State Specific Disclosures” section.

**Retail**

On Retail transactions, the Loan Officer must provide a Commitment Letter once the loan is BOTH approved AND locked but no later than 72 hours prior to closing. *FastTrac* can generate a Commitment Letter under “Doc Packages → Underwriting – DocMagic.” The Loan Officer must sign this document and email it to the Borrower. He/She must also upload copies of the email and signed disclosure into Imageflow under the “State Specific Disclosures” section.

**Waiver of 72 Hour Waiting Period Requirement for the Commitment Letter**

Instead of requiring the 72 hour Waiting Period, in limited circumstances, the borrower may sign a Waiver (Example “C”). If the Waiting Period causes harm to the borrower, then PRMG will waive the Waiting Period Requirement if: (1) an executed Commitment Letter is provided to the borrower prior to closing, (2) the borrower requests PRMG to waive the Waiting period, and (3) the borrower signs the Waiver form. The email providing the signed Commitment Letter to the borrower, the Commitment Letter itself, and the Waiver must all be uploaded into Imageflow under the “State Specific Disclosures” section.

This exception **should not** become normal practice and should only be used on a limited basis.

**Compliance and Audit Procedure**

PRMG’s Legal and Compliance Department will periodically audit Maryland files to ensure compliance with the above policy.
MARYLAND FINANCING AGREEMENT

Borrower Name(s): ___________________________               Date: ___________________________

Property Address: ____________________________________________

The following terms will apply to the loan you have applied for, if your application is approved:

Loan Amount: ___________________________               Loan Term: ___________________________

Type of Mortgage: Conventional   FHA   Fixed Rate   ARM

Interest Rate: ____________%

☐ This rate is subject to change.
☐ This rate is a variable rate.
☐ This rate is subject to final determination at a future date based on the terms agreed upon as reflected by the execution of Lock-in and Fee Agreement

Points: (if applicable):

____ Points are to be paid by the borrower.

____ Points are to be paid by the seller.

____ Points are to be paid by both the borrower and the seller.

The terms of this financing agreement remain in effect from ____________ to ____________.

No decision has been made concerning the approval or disapproval of your loan application, and this financing agreement is not a commitment to make a loan to you. Approval of your loan application will be contingent upon the satisfaction of all our underwriting requirements.

The terms of your loan are subject to change between the date of this financing agreement and the issuance of a commitment letter by the lender.

I/We acknowledge receipt of this financing agreement within ten(10) business days after completion of the loan application. I/We understand the provisions of this financing agreement.

Borrower: ____________________________________________

Broker: ____________________________________________

Borrower: ____________________________________________
MARYLAND COMMITMENT

Date:
Lender:

Applicant(s):

Property Address:

We are pleased to inform you that your application for a mortgage loan, repayment of which will be secured by a lien on property that you own or are acquiring, has been approved on the following terms and conditions:

Loan Amount: 
Loan Term (Months):

Loan Type:  
  □ FHA Insured  □ VA Guaranteed  □ Conventional  □ Other:
  □ Purchase  □ Refinance

Interest Rate:  Your interest rate is:  

☐ Your interest rate is a variable rate. The interest rate quoted above is your initial interest rate; your interest rate can change during the term of your loan. The following provisions apply to your loan:

  Index Description:

  Index Value:
  Margin:
  Adjustment period:  Every months
  ☐ After an initial fixed rate period of months
  Rate cap (per adjustment):
  ☐ First adjustment period only; thereafter, each adjustment period
  Rate cap (lifetime):
  Rate floor (lifetime):

☐ Your loan has a balloon payment. A final balloon payment (assuming all scheduled principal payments, if any, are made in accordance with the loan contract) of $ will be due on estimated date.
CAUTION TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN DUE, IT MAY BE NECESSARY FOR YOU TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY FOR THIS PURPOSE AND YOU MAY BE REQUIRED TO AGAIN PAY COMMISSION AND EXPENSES FOR ARRANGING THE LOAN. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THE LOAN THAT YOU OBTAIN AT THIS TIME.

☐ If this box is checked, then your loan provides for negative amortization.

Lender's Points: % of the loan amount ☐ to be paid by you.

% of the loan amount ☐ to be paid by the seller.

Broker's Compensation*: $ / % of the loan amount.

Expiration Date: This Commitment will remain in effect until . If your loan does not close by that date, the lender has no legal obligation to honor the terms of this commitment.

*Includes all compensation paid to broker regardless of source of payment.

The terms set forth in this Commitment describe only some of the terms of the loan for which you have applied. This Commitment does not disclose all of the fees and charges that you may be obligated to pay in connection with your loan. The specific terms of your loan will be contained in the promissory note, security instrument and other related loan documents that you receive and sign in connection with your loan. You should read and become familiar with all of the terms and conditions of your loan documents before you sign them.

This Commitment is subject to the satisfaction of all conditions set forth herein and in any other agreement between you and the lender and in the lender's closing instructions to the closing agent, as well as all underwriting requirements established from time to time by the lender. All of the terms of this Commitment are subject to change, in whole or in part and at any time, based on information, circumstances or events which could reasonably be expected to be relevant consideration in the lender's decision to make the loan on the terms set forth in this agreement, including, without limitation, information, circumstances or events that could materially and adversely affect the value or marketability of the security property or your ability to repay the loan.

Lender's Representative Date

ACKNOWLEDGMENT

Each of the undersigned acknowledges receipt of a fully completed and executed copy of this Commitment at least 72 hours before the time of settlement agreed to by the parties.

Applicant Applicant

Applicant Applicant

Applicant Applicant

Applicant Applicant

MARYLAND COMMITMENT
MD COML 6 12-155(C) 02/12/12
WAIVER OF 72-HOUR ADVANCE PRESENTATION REQUIREMENT

Date:

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<th>BORROWER(S) NAME AND ADDRESS</th>
<th>LENDER NAME AND ADDRESS</th>
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<th>LOAN NUMBER</th>
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Lender has shown that compliance with the 72-hour presentation requirement to be infeasible due to the following reason(s):

Therefore, the undersigned hereby waive the 72-hour advance presentation requirement and agree to accept the commitment at settlement in accordance with the provisions contained in the Maryland Ann. Code. Comm. Law Section 12-125(c)(2).

By signing below, I/we acknowledge receipt of a copy of this Waiver of 72-Hour Advance Presentation Requirement.

Borrower Date Borrower Date

Borrower Date Borrower Date

Borrower Date Borrower Date

Borrower Date Borrower Date