

Notices To Mortgage Loan Borrower



CENTRAL PACIFIC HOMELOANS

Borrower(s): _____ Loan No.: _____

Property Address: _____ Broker: _____

Social Security Number: _____

Equal Credit Opportunity. The Federal Equal Credit Opportunity Act (15 U.S.C. §1601) prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning Central Pacific HomeLoans, Inc. is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C., 20580, (202) 724-1140.

Fair Credit Reporting. Central Pacific HomeLoans, Inc. may request a consumer report from a consumer reporting agency for the purpose of processing your real estate loan application (15 U.S.C §1681). A "consumer report" means any information by a consumer reporting agency bearing a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which serves as a factor in establishing a consumer's eligibility for credit. If the information obtained from a consumer report causes Central Pacific HomeLoans, Inc. to deny or increase the charge with respect to your loan application, Central Pacific HomeLoans, Inc. will supply the name, address and telephone number of the consumer reporting agency, which made the report. If you request information from the consumer reporting agency within thirty (30) days of being notified by Central Pacific HomeLoans, Inc., the consumer reporting agency must provide to you, without charge: (1) the nature and substance of all information, other than medical information in its files at the time of Central Pacific HomeLoans, Inc. request; (2) the sources of the information, except information solely acquired and used for an investigative consumer report; and (3) the recipients of the consumer report within a six-month period preceding your request. Should you request information from the consumer-reporting agency after thirty (30) days, the agency may impose a reasonable charge for the disclosure. If Central Pacific HomeLoans, Inc. denies or increases the charge for your loan application because of information obtained from a source other than a consumer reporting agency, Central Pacific HomeLoans, Inc. must disclose the nature of the information within a reasonable time after your request. Your request must be received by Central Pacific HomeLoans, Inc. within sixty (60) days after learning of the denial or increase in the charge of your loan application.

As the servicer of your mortgage, Central Pacific HomeLoans, Inc. will regularly report information on your loan to the credit bureaus. Information on your loan balance, monthly payment amount, and payment history is reported. The Fair Credit Reporting Act which regulates the reporting of credit information to the credit bureaus, provides for error resolution of consumers' credit files. Should you disagree with the completeness or accuracy of any of the information reported by Central Pacific HomeLoans, Inc. to the credit bureaus, please notify us in writing so we may research and resolve the disputed information. Information confirmed to be incomplete or inaccurate will be corrected with the credit bureaus within 30 days after receiving your written notice. Written notice of incomplete or inaccurate information should include your name, loan number, telephone number, the disputed information, and your signature. The notice should be sent to:

Central Pacific HomeLoans, Inc.
P.O. Box 30
Honolulu, Hawaii 96810

Notice Concerning the Furnishing of Negative Information to Consumer Reporting Agency. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

Appraisal Notice. You have the right to a copy of the appraisal report used in connection with your application for credit, if an appraisal is ordered. If you wish to request a copy, you must write to Central Pacific HomeLoans, Inc., P.O. Box 30, Honolulu, Hawaii 96810. You must include your name, address and telephone number in your written request. Your request must be made no later than 90 days after you are notified about the action taken on your credit application or you withdraw your application. You may have to pay the cost of the appraisal before a copy is provided.

It is understood that if your loan closes, you will be provided with a copy of the appraisal report and that the appraisal report was made for lending purposes only and was performed for the exclusive use and benefit of Central Pacific HomeLoans, Inc. to protect its secured interest. The appraisal report represents the opinion of the appraiser and Central Pacific HomeLoans, Inc. makes no representation, warranty or guarantee regarding the information contained in the report. The appraised value may not bear any relationship to the price paid or current/future value of the property. The appraisal report is the exclusive property of Central Pacific HomeLoans, Inc. and is provided for information only. No part of the report may be conveyed to any other person without our prior written consent.

Mortgage Loan Borrowers Authorization and Acknowledgment

I am submitting an application for a mortgage loan from Central Pacific HomeLoans, Inc. In connection with my application, I agree to, acknowledge and certify to the following:

1. I certify that:
 - a) I am making the application solely on my own behalf
 - b) The purpose of the loan is is not to finance the purchase of the property.
 - c) I will use the property as my principal residence second home investment property.
 - d) I will will not occupy the property for more than fourteen (14) days during the coming year.
 - e) I received the HUD booklet entitled "*Settlement Costs*", the *Good Faith Estimate of Settlement Services*, *Financial Privacy Notice* and if applicable a *Truth In Lending Disclosure Statement*, *Consumer Handbook on Adjustable Rate Mortgages* and the *Initial Adjustable Rate Mortgage Disclosure*.
 - f) I/We have applied for a mortgage loan from Central Pacific HomeLoans, Inc. In applying for the loan, I/we completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents nor did I/we omit any pertinent information. I/We understand and agree that Central Pacific HomeLoans, Inc. reserves the right to change the mortgage loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.
2. I authorize:
 - a) Central Pacific HomeLoans, Inc. to process my loan application and to incur expenses and fees including for the appraisal report, credit report, title report, documents and other terms normally required for processing a real estate mortgage loan application. I agree to pay for Central Pacific HomeLoans, Inc.'s out-of-pocket expenses in processing the application even if the application is denied or withdrawn.
 - b) Central Pacific HomeLoans, Inc. and the mortgage guaranty insurer (if any), to verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
 - c) Central Pacific HomeLoans, Inc. and any investor to whom Central Pacific HomeLoans, Inc. may sell my mortgage, and to the mortgage guaranty insurer (if any), to obtain any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income, bank, money market, and similar account balances; credit history; and copies of income tax returns.
 - d) Central Pacific HomeLoans, Inc. or any investor that purchases the mortgage, or the mortgage guaranty insurer (if any), to address this authorization to any party named in the loan application. A copy of this may be accepted as an original.

3. I agree that:

- a) I will notify Central Pacific HomeLoans, Inc. immediately if there is any change in my financial condition, employment, or the property.
- b) When Central Pacific HomeLoans, Inc. underwrites a loan application for a borrower who is self-employed or who derives income from sources other than or in addition to wages, Central Pacific HomeLoans, Inc. uses copies of the applicant's tax returns to document the nature and amount of the applicant's income. The income tax returns submitted to Central Pacific HomeLoans must be the same as the tax returns submitted to the IRS and the income shown on the tax returns submitted to Central Pacific HomeLoans, Inc. must be the same in every respect as the income shown on the tax returns submitted to the IRS. It is Central Pacific HomeLoans, Inc.'s policy to verify with the Internal Revenue Service that the copies of tax returns submitted to us match the tax returns submitted by the applicant to the IRS. In the event that the tax returns in our loan file differ materially from the information in the IRS' file, it is our policy to attempt to resolve these differences with the applicant. If the tax returns submitted by you or on your behalf differ from IRS records, any of the following things could happen to you:

- You may be liable to Central Pacific HomeLoans, Inc. or any other third party because of their reliance on the tax returns you submitted.
- Central Pacific HomeLoans, Inc. may declare the entire unpaid balance of your loan to be immediately due and payable, even if your loan payments are current.
- If Central Pacific HomeLoans, Inc. declares your loan immediately due and you do not pay your loan off, Central Pacific HomeLoans, Inc. may foreclose on your property and you could lose your home.
- Central Pacific HomeLoans, Inc. may refer the matter to State and/or Federal authorities for civil and criminal prosecution.
- Central Pacific HomeLoans, Inc. may forward to the IRS a copy of the tax return you submitted to us.

By signing this notice, you acknowledge that you understand the information explained in this section and you certify that the tax returns submitted to Central Pacific HomeLoans, Inc. are exact duplicates of those submitted to the IRS. You give your express consent to Central Pacific HomeLoans, Inc. to communicate with the IRS concerning any discrepancies and to give the IRS copies of the tax returns that you submit to Central Pacific HomeLoans, Inc.

4. I understand that if the loan is approved:

- a) Title Insurance will be required, however, the title insurance policy will not protect me. I will have to pay an extra premium if I want an owner's policy to protect me. I want do not want an owner's policy.
- b) I will have to pay for property insurance (fire, hurricane, and other hazards) and also for flood insurance if the property is located in a special flood hazard area. Pursuant to Hawaii Revised Statutes §431:13-104, I, the undersigned, hereby acknowledge that I have been informed by Central Pacific HomeLoans, Inc. that the "insurance related to such credit extension may be purchased from an insurer or producer of the borrower's choice, subject only to the lender's right to reject a given insurer or producer as provided in subsection (b)(2). Compliance with disclosures as to insurance required by truth-in-lending laws or comparable state laws shall be in compliance with this paragraph."
- c) If required for the type of loan I have applied for, I will have to pay for private mortgage insurance.
- d) Each monthly loan payment will include an amount to pay for real property taxes, property insurance and if applicable, lease rent, flood insurance, private mortgage insurance and any special property assessments.
- e) I will have to pay all of the closing costs (escrow fees, insurance premiums, etc.) for the loan. Interest charges on the loan will begin on the date that Central Pacific HomeLoans, Inc. disburses the loan proceeds to escrow rather than the date of recordation of the loan documents.
- f) I have the right to choose the escrow company, the hazard and flood insurance companies, the title insurance company, the notary and the pest control company, as may be required for my loan, subject to Central Pacific HomeLoans, Inc.'s right to reject my choice of a particular company only for reasonable cause. If I decide to select a particular escrow company, I will notify Central Pacific HomeLoans, Inc. in writing, of the name, address and phone number of the company and its contact person or agent, at

the time that my loan application is submitted. If I decide to select a particular title insurance company or the flood and hazard insurance companies, and the notary and the pest control company, I will notify Central Pacific HomeLoans, Inc. in writing, of the name, address and phone number of the company and its contact person or agent within fifteen (15) business days prior to the loan closing. If I do not select a particular company for one or more of the services mentioned above within the time requirements described above, other than hazard or flood insurance, I authorize Central Pacific HomeLoans, Inc. to select a company for those services on my behalf. I also authorize Central Pacific HomeLoans, Inc. to assist me in obtaining any applicable hazard or flood insurance.

- g) I/We hereby acknowledge that I/We have been informed by Central Pacific HomeLoans, Inc. that although Central Pacific HomeLoans, Inc. may require me/us to purchase insurance to cover the real property that is being used as security for the loan, Central Pacific HomeLoans, Inc. may not require, as a condition to the extension of credit or any subsequent renewal or extension thereof, that I/we negotiate or purchase such insurance through a particular insurer, agent, solicitor or broker. Central Pacific HomeLoans, Inc. may not disapprove any insurance policy I/we provide for the protection of the real property securing repayment of the loan, unless such disapproval is based solely on reasonable standards uniformly applied, relating to the extent of coverage required and the financial soundness and the services of the insurance company, agent solicitor or broker you select.

Right of Financial Privacy Act of 1978 Notice - The Department of Housing and Urban Development (HUD) and the Department of Veterans Affairs (VA) have the right to access financial information held by a financial institution in determining whether to qualify a prospective applicant under their respective loan programs. If you are applying for a HUD or VA loan, your financial records will be made available to the requesting government agency without further notice to or authorization from you; such financial information will not be disclosed or released outside the requesting agency except as required or permitted by law. Prior to the time that your financial records are disclosed, you may revoke this authorization at any time; however, your refusal to provide the information may cause your application to be delayed or rejected. If you believe that your financial records have been disclosed improperly, you may have legal rights under the Right to Financial Privacy Act of 1978 (12 USC 3400 et seq.).

Signature

Date

Signature

Date