

Best Practice - What to Add to Borrower's Disclosure

What to add at MINIMUM:

- 1) List all Fees associated with mortgage
 - a) At time of set-up
 - i) Approx Lawyer fees(ensure to be specific that they are paying for both lender and their lawyer costs)
 - ii) Lender Fees
 - iii) Broker Fees
 - iv) Appraisal Fees
 - v) Schedule A/Market Rent Report(if applicable)
- 2) List/Mention Approx Fees that May be associated
 - a) At time of Renewal:
 - i) Lender Renewal Fees
 - ii) Broker Renewal Fees(if applicable)
 - iii) Appraisal fees
 - iv) New lender fees if switching(legals/appraisal/discharge)
- 3) Exit Strategy - Make sure to include how clients are planning to pay off
 - a) Sale of property
 - b) Qualify with a bank type or trust company, and How they plan on qualifying.
Examples may include:
 - i) Improve credit
 - ii) New Employment
 - iii) Separation/Divorce/Division of assets will be finalized
 - iv) Support/Alimony will be finished
 - v) Debt payoff
- 4) Special Terms/Clauses Associated with Commitment
 - a) Interest Only Payments
 - b) Holdbacks(and reason for Holdback)
 - c) List if Multiple Properties are being taken as collateral
 - d) etc.
- 5) Penalty Terms
 - a) What are they?(example: full interest paid for term, 3 months interest, IRD)
- 6) Acknowledgement of why Lender chose
 - a) Why did you have to use private lender?