



**Notice to Borrowers III**

**BORROWERS CERTIFICATION**

I / We hereby certify that the paycheck stubs, W-2s and / or 1040's submitted to Quality Mortgage for the purpose of verifying income are true and accurate. I / We also certify that the above items have not been tampered with and reflect the current rate of income and / or prior earnings. By signing below, I / we make this certification with the full understanding that if the foregoing is incorrect it will be deemed an attempt to commit fraud and will be dealt with accordingly.

**FRAUD STATEMENT**

The organization and submission of a loan application containing false information is a crime. The effect of "Loan Fraud" is costly to all parties. Quality Mortgage stands behind the quality of its loan production. Fraudulent loans cannot be sold into the secondary market and, if sold, will require repurchase by Quality Mortgage. Fraudulent loans damage our reputation with investors and mortgage insurance providers. Several items can constitute loan fraud:

- Submission of inaccurate information, including false statement(s) on the loan application(s) and falsification of documents pertaining to substantiating credit, employment, tax returns, deposit and asset information, personal information including identity, ownership / non-ownership of real property, etc.
- Forgery of partially or predominately accurate information.
- Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
- Lack of due diligence by borrower(s), including failure to disclose additional information provided to Lender when changes have occurred.
- Borrower's non-disclosure of relevant information.

**Consequences of fraud can be:**

- Acceleration of the debt, FNMA / FHLMC Deed of Trust, revised 9/90, item #6 states:  
"Borrower shall also be in default if borrower, during the loan application process, gave materially false or inaccurate information or statements to the lender (or failed to provide lender with any material information) in connection with the loan evidenced by the Note,,including but not limited to, representation concerning Borrower's occupancy of the property as a principal residence. NOTE: foreclosure under this section; the Deed of Trust does not require the borrower to be in payment default. As such, the Borrower will not have the benefit of reinstatement. In order to cure the default, the Borrower must pay off the loan in full prior to the sale date of the property."
- Criminal prosecution.
- Civil action by Quality Mortgage.
- Civil action by other parties in the transaction, i.e. seller or real estate agent or broker.
- Employment termination.
- Adverse effect on credit history.

**QUALITY CONTROL RELEASE**

I / We understand that our mortgage application may be selected by the Lender and / or its assigns or agents for a Quality Control Review. This review is designed to produce and maintain quality service for our borrowers and to comply with agency and investor guidelines. The Quality Control Review will involve verification of all of the credit information, (including employment history, income, bank accounts, and credit references) as well as property evaluation. I / we agree to cooperate with the Lender and / or its agent to the extent necessary to accomplish this review. It is understood that the information may be verified with third parties such as employers, depository institutions or credit reporting agencies. I / we have signed below, therefore authorizing the release of employment and / or financial information to assist in the Quality Control Review.

I / We have read the foregoing and acknowledge receipt of the foregoing notices.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date