

Loan Number:

DISCLOSURE OF SECONDARY FINANCING

I (We) acknowledge that I (We) have applied for TWO (2) loans in order to complete the purchase of a home. BOTH loans will be recorded against the title records of my (our) property. I (We) may be required to make regular monthly payments on BOTH loans. If monthly payments are required on the second mortgage, these payments may be made to a different lender than the payments made to the lender for the first mortgage.

The first mortgage will be issued by:

The second mortgage will be issued by: **CBC MORTGAGE AGENCY**

The amount of the second mortgage will be \$

The second mortgage interest rate will be %

The second mortgage may be forgiven at a future date.

When forgivable, the second mortgage will permanently lose its forgivable status if I (We) refinance the first mortgage and state law allows the second mortgage to subordinate without the consent of CBC Mortgage Agency, but only if this subordination occurs, for 3.5% assistance, during the initial thirty-six (36) payments on the first mortgage; and for 5% assistance, this applies if such a subordination occurs during the first one-hundred and twenty (120) payments on the first mortgage. In either case, if the loan's forgivable status is permanently lost then the loan will have a 0% interest rate and no monthly payment, but it will need to be repaid upon refinance, transfer of ownership, or the end of the 30-year term.

In addition to the subordination requirements, I (We) understand that for the first mortgage to be forgivable we must demonstrate on-time payment history according to the following schedule:

For 3.5% assistance- forgiveness of the second mortgage may occur after thirty-six (36) consecutive months of on-time payments of the first mortgage.

For 5% assistance – forgiveness of the second mortgage may occur after one hundred and twenty (120) consecutive payments of the first mortgage and where no payment has been made sixty (60) days or more after a payment is due.

The second mortgage is NOT forgivable. I (We) will be required to make regular monthly payments on the second mortgage estimated in the amount of \$0.00 for a total of **LOANTERM** years.

I (We) understand and agree to the terms and conditions as stated herein.

Borrower	Date	Borrower	Date
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