

BORROWER LETTER OF EXPLANATION

In order for our underwriting department to better understand your situation; please provide answers to the following questions:

SOURCE OF REPAYMENT:

(Please indicate how you intend to repay the loan.)

EXIT STRATEGY:

(How do you plan to come up with a balloon payment at the end of the loan term. Will you be selling the home, refinancing into a conventional loan or something other)

URGENCY OF TRANSACTION:

(Is this an Emergency Deal? Why does it need to close urgently? Do you need to waive your three day right of rescission?)

EXPLANATION FOR OCCUPANCY:

(Who will be occupying the property? Will you be renting it or leaving it vacant in order to remodel or flip?)

Borrower Signature

Date

Borrower Signature

Date