

American Alliance Mortgage Company

6139 S. Rural Rd., Bldg. #200, Ste. #104, Tempe, Arizona 85283-2929
BK#18077

MORTGAGE SERVICING TRANSFER DISCLOSURE

NOTICE TO MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RIGHTS. READ THIS STATEMENT AND SIGN IT ONLY IF YOU UNDERSTAND ITS CONTENTS.

BECAUSE YOU ARE APPLYING FOR A MORTGAGE LOAN COVERED BY THE REAL ESTATE PROCEDURES ACT (RESPA) (12 U.S.C. 2601 ET. SEQ.) YOU HAVE CERTAIN RIGHTS UNDER THAT FEDERAL LAW. THIS STATEMENT TELLS YOU ABOUT THOSE RIGHTS. IT ALSO TELLS YOU WHAT YOUR CHANCES ARE THAT THE SERVICING FOR THIS LOAN MAY BE TRANSFERRED TO A DIFFERENT LOAN SERVICER. "SERVICING" REFERS TO COLLECTING YOUR PRINCIPAL, INTEREST AND ESCROW ACCOUNT PAYMENTS. IF YOUR LOAN SERVICER CHANGES, THERE ARE CERTAIN PROCEDURES THAT MUST BE FOLLOWED. THIS STATEMENT GENERALLY EXPLAINS THOSE PROCEDURES.

TRANSFER PRACTICES AND REQUIREMENTS

IF THE SERVICING OF YOUR LOAN IS ASSIGNED, SOLD OR TRANSFERRED TO A NEW SERVICER, YOU MUST BE GIVEN WRITTEN NOTICE OF THAT TRANSFER. THE PRESENT LOAN SERVICER MUST SEND YOU NOTICE IN WRITING OF THE ASSIGNMENT, SALE OR TRANSFER OR THE SERVICING NOT LESS THAN 15 DAYS BEFORE THE DATE OF THE TRANSFER. THE NEW LOAN SERVICER MUST ALSO SEND YOU NOTICE WITHIN 15 DAYS AFTER THE DATE OF TRANSFER. ALSO, A NOTICE OF PROSPECTIVE TRANSFER MAY BE PROVIDED TO YOU AT SETTLEMENT TO SATISFY THESE REQUIREMENTS. THE LAW ALLOWS A DELAY IN THE TIME (NOT MORE THAN 30 DAYS AFTER A TRANSFER) FOR SERVICERS TO NOTIFY YOU UNDER LIMITED CIRCUMSTANCES WHEN YOUR LOAN SERVICER CHANGES ABRUPTLY. THIS EXCEPTION APPLIES ONLY IF YOUR SERVICER IS FIRED FOR CAUSE, IS IN BANKRUPTCY PROCEEDINGS, OR IS INVOLVED IN A CONSERVATORSHIP OR RECEIVERSHIP INITIATED BY A FEDERAL AGENCY.

NOTICES MUST BE CONTAIN CERTAIN INFORMATION. THEY MUST CONTAIN THE EFFECTIVE DATE OF THE TRANSFER OF THE SERVICING OF YOUR LOAN TO THE NEW SERVICER, THE NAME, ADDRESS, AND TOLL-FREE OR COLLECT CALL TELEPHONE NUMBER OF THE NEW SERVICER TO ANSWER YOUR QUESTIONS ABOUT THE TRANSFER OF SERVICING. DURING THE 60-DAY PERIOD FOLLOWING THE EFFECTIVE DATE OF TRANSFER OF THE LOAN SERVICING, A LOAN PAYMENT RECEIVED BY YOUR OLD SERVICER BEFORE ITS DUE DATE MAY NOT BE TREATED BY THE NEW LOAN SERVICER AS LATE AND A LATE FEE MAY NOT BE IMPOSED ON YOU.

COMPLAINT RESOLUTION

SECTION 6 OF RESPA(12 U.S.C. 2605) GIVES YOU CERTAIN RIGHTS, WHETHER OR NOT YOUR LOAN SERVICING HAS BEEN TRANSFERRED. IF YOU SEND A "QUALIFIED WRITTEN STATEMENT" TO YOUR LOAN SERVICER CONCERNING THE SERVICING OF YOUR LOAN, YOUR SERVICER MUST PROVIDE YOU WITH A WRITTEN ACKNOWLEDGMENT WITHIN 20 BUSINESS DAYS OF RECEIPT OF YOUR REQUEST. A "QUALIFIED WRITTEN REQUEST" IS WRITTEN CORRESPONDENCE, OTHER THAN NOTICE ON A PAYMENT COUPON OR OTHER PAYMENT MEDIUM SUPPLIED BY THE SERVICER, WHICH INCLUDES YOUR NAME AND ACCOUNT NUMBER AND THE REASON FOR YOUR REQUEST. NOT LATER THAN 60 BUSINESS DAYS AFTER RECEIVING YOUR REQUEST, YOUR SERVICER MUST MAKE ANY APPROPRIATE CORRECTIONS TO YOUR ACCOUNT AND PROVIDE YOU WITH A WRITTEN CLARIFICATION REGARDING ANY DISPUTE. DURING THIS 60-DAY PERIOD, YOUR SERVICER MAY NOT PROVIDE INFORMATION TO A CONSUMER REPORTING AGENCY.

DAMAGES AND COST

SECTION 6 OF RESPA ALSO PROVIDES FOR DAMAGES AND COST FOR INDIVIDUALS OR CLASSES OF INDIVIDUALS IN CIRCUMSTANCES WHERE SERVICERS ARE SHOWN TO HAVE VIOLATED THE REQUIREMENTS OF THAT SECTION.

SERVICING TRANSFER ESTIMATES BY ORIGINAL LENDER

THE FOLLOWING IS THE BEST estimate OF WHAT WILL HAPPEN TO THE SERVICING OF YOUR MORTGAGE LOAN:

XXXX WE DO NOT SERVICE LOANS. WE INTEND TO ASSIGN, SELL, OR TRANSFER THE SERVICING OF YOUR LOAN TO ANOTHER PARTY. YOU WILL BE NOTIFIED AT SETTLEMENT REGARDING THE SERVICER.

WE ARE ABLE TO SERVICE THIS LOAN AND PRESENTLY INTEND TO DO SO. HOWEVER, THAT MAY CHANGE IN THE FUTURE. FOR ALL THE LOANS THAT WE MAKE IN THE 12 MONTH PERIOD AFTER YOUR LOAN IS FUNDED, WE ESTIMATE THAT WE WILL TRANSFER THE SERVICING OF THOSE LOANS IS BETWEEN:
_____ 0 TO 25% _____ 26 TO 50% _____ 51 TO 75% _____ 76 TO 100%

THIS IS ONLY OUR BEST ESTIMATE AND IT IS NOT BINDING.
BUSINESS CONDITION OR OTHER CIRCUMSTANCES MAY AFFECT OUR FUTURE TRANSFERRING DECISIONS.

THIS IS OUR RECORD OF TRANSFERRING THE SERVICING OF THE LOANS WE HAVE MADE IN THE PAST:

Year	Percentage of loans transferred rounded to the nearest quarter
2006	100%
2007	100%
2008	100%

THE ESTIMATES IN 2 AND 3 ABOVE DO NOT INCLUDE TRANSFERS TO AFFILIATES OR SUBSIDIARIES. IF THE SERVICING OF YOUR LOAN IS TRANSFERRED TO AN AFFILIATE OR SUBSIDIARY IN THE FUTURE, YOU WILL BE NOTIFIED IN ACCORDANCE WITH RESPA.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/WE HAVE READ THIS DISCLOSURE FORM AND UNDERSTAND ITS CONTENTS AS EVIDENCED BY MY/OUR SIGNATURE(S) BELOW.

APPLICANT SIGNATURE

DATE

CO APPLICANT SIGNATURE

DATE

LENDER

DATE PREPARED

AMERICAN ALLIANCE

MORTGAGE COMPANY

6139 S. Rural Rd., Bldg.#200, Ste. #104, Tempe, Arizona 85283
(480)775-9000
BK 18077

MORTGAGE LOAN ORIGINATION AGREEMENT

You, the applicant(s), agree to enter into this Mortgage Loan Origination Agreement with American Alliance Mortgage Company (hereinafter referred to as “we” or “us”) as an independent contractor to apply for a residential mortgage loan from a participating lender with which we from time to time contract upon such terms and conditions as you may request or a lender may require. You inquired into mortgage financing with us on the date stated below. We are licensed under Title 6, Chapter 9, Article 2, of the Arizona Revised Statutes relating to the establishment and operation of a “Mortgage Banker”.

SECTION 1. NATURE OF RELATIONSHIP. In connection with this mortgage loan we are acting as an independent contractor and not as your agent. We will enter into separate independent contractor agreements with various lenders. While we seek to assist you in meeting your financial needs, we do not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or best terms available in the market.

SECTION 2. SERVICES PROVIDED. Services provided by us can include, but are not limited to: Arranging for a conditional mortgage loan commitment between Borrower and Lender. Taking the mortgage loan application. Assembling information. Processing the mortgage loan file including verifying the information. Preparing all paperwork and documentation necessary for a conditional mortgage loan commitment. Reviewing, analyzing and evaluating borrower’s financial statements, income and credit history. Incidental services utilized in arranging for and procuring a conditional loan commitment including mail and long distance telephone charges.

SECTION 3. OUR COMPENSATION. The lenders whose loan products we distribute generally provide their loan products to us at a wholesale rate. The retail price we offer you—your interest rate, total points and fees—will include our compensation. In some cases, we may be paid all of our compensation by either you or the lender. Alternatively, we may be paid a portion of our compensation by both you and the lender. For example, in some cases, if you would rather pay a lower interest rate, you may pay higher up-front points and fees. Also, in some cases, if you would rather pay less up-front, you may be able to pay some or all of our compensation indirectly through a higher interest rate in which case we will be paid directly by the lender. We also may be paid by the lender based on (I) the value of the Mortgage Loan related servicing rights in the market place or (II) other services, goods or facilities performed or provided by us to the lender.

By signing below applicant(s) acknowledge receipt of a copy of this signed Agreement.

Applicant Date

Applicant Date

Print Name: _____

Print Name: _____

Subject Property Address: _____

Loan Officer/Processor: _____

Date