

## COMMITMENT LETTER

---

**Date Issued** 11/11/2020  
**Borrowers** Johanny A. Morales

**Loan No.** 1400835607  
**Property** 11 Cedar Lane  
Amityville, NY 11701  
Suffolk County

**Lender** Cardinal Financial Company, Limited Partnership  
NMLS ID: 66247 State License: LMBC 108150

**Originator** Raquel Carranza, NMLS ID: 1470607 State MLO ID: 1470607

Cardinal Financial Company, Limited Partnership is pleased to announce that your application for your first mortgage has been conditionally approved subject to our receiving and approving the requirements set forth below:

LOAN TERMS	
Principal Loan Amount	\$331,877
Loan Terms/Amortization	360
Loan Type	FHA
Occupancy	Owner-occupied as a principal dwelling
Loan Purpose	Purchase
Amortization Type	Fixed
Loan Program	FHA 30 Year, Fixed Rate
Private Mortgage Insurance Required:	Yes

INTEREST RATE	
Interest Rate on Loan	2.375%
Lock Status	Confirmed
Lock Expiration (If Applicable)	11/20/2020

POINTS	
Discount Points (If Applicable)	\$5,059.03
Origination Charge (If Applicable)	\$0.00
Commitment Fee	N/A

INITIAL MONTHLY PAYMENT OF PRINCIPAL AND INTEREST	
	\$1,289.85

COMMITMENT EXPIRES	
	01/10/2021

The terms set forth in this Commitment describe only some of the terms of the loan for which you have applied. This Commitment does not disclose all of the fees and charges that you may be obligated to pay in connection with your loan. The specific terms of your loan will be contained in the promissory note, security instrument and other related loan documents that you receive and sign in connection with your loan. You should read and become familiar with all of the terms and conditions of your loan documents before you sign them.

This Commitment is subject to the satisfaction of all conditions set forth herein and in any other agreement between you and the lender and in the lender's closing instruction to the closing agent, as well as all underwriting requirements established from time to time by the lender. All of the terms of this Commitment are subject to change, in whole or in part and at any time, based on information, circumstances or events which could reasonably be expected to be a relevant consideration in the lender's decision to make the loan on the terms set forth in part above, including, without limitation,

information, circumstances or events that could materially and adversely affect the value and marketability of the security property or your ability to repay the loan.

## **TERMINOLOGY FOR REPAYMENT**

The following may help you understand basics of repayment terms for different loan types, and please note If you would rather pay a lower interest rate, you may pay higher up-front fees. If you pay less up front, you may pay a higher interest rate.

**Standard Fixed Payment Mortgage (Fixed):** A loan to be repaid in equal monthly installments of your total loan payment including interest\*, with the first monthly installment due on date specified on the Mortgage or Deed of Trust.

**Adjustable Rate Mortgage (ARM):** A loan to be repaid in the manner and amounts as specified I the disclosure you received at application. The above stated contract interest rate shall be considered the “Initial Interest Rate” only.

Your loan is a: Fixed Rate Mortgage.

\*Note that Total Loan Payment including Interest may not represent your Total Housing Expense payment.

## **EVIDENCE OF TITLE**

Evidence of Title is to be provided to the Lender and must indicate no liens, encumbrances , or any adverse covenants or conditions to title unless approved by Lender. The Evidence of Title must be issued from a firm or source, and in a form, acceptable to Lender. The Borrower may be charged for the cost of providing such Evidence of Title and the cost of recording documents, all of which will be ordered by the Lender unless otherwise requested.

## **ADDITIONAL CONDITIONS OR REQUIRED ITEMS**

### **Fire and Extended Coverage Insurance**

At the time of settlement we will require an original insurance policy containing fire and extended coverage insurance in an amount of at least equal to that of the mortgage through a company acceptable to the Lender, and a receipt showing premiums paid in advance for one year. The insurance policy shall also contain a standard mortgagee clause in favor of the Lender.

### **USDA/RHS, FHA, or VA Insured Loans**

Loan Commitments issued for these types of mortgage loans are subject to all the terms and conditions of the USDA/RHS or FHA commitment; or the VA certificate of reasonable value, as well as the rules and regulations of the United States Department of Agriculture/Rural Housing Service.

### **Flood Insurance**

If “Flood Insurance” is required for additional conditions, the property securing this loan has been determined to be in an area which has a special flood hazard. Federal Law requires that flood insurance, available through any agent, be written in either the maximum amount available or the loan balance, whichever is less. The insurance will be mandatory until this loan is paid in full. By signing and accepting this commitment you acknowledge that the property securing this loan is in an area identified as having a special flood hazard and agree to these insurance requirements.

### **Tax and Insurance Payments**

Monthly deposits, and initial deposits as determined by the Lender, are required to cover the payment of estimated annual real estate taxes, special assessments and, if applicable, FHA or Private Mortgage Insurance Premiums. The Lender may also require additional deposits for hazard or other insurance, if required, for this loan. Such deposits are to be placed in a separate escrow or impound account.

### **Special Assessments**

All unpaid and future special assessment installments must be paid in full, prior to, or at time of settlement.

### **Documentation**

The Mortgage or Deed of Trust, Note and other pertinent loan documents will be provided by the Lender and must be signed by all applicants that are to be contractually liable under this obligation. Further, the Mortgage or Deed of Trust

must also be signed by any non-applicant spouses, if their signature is required under State Law, to create a valid lien, pass clear Title, or waive inchoate rights to property. *Note: Samples of loan documents are available upon request.*

### **Cancellation**

The Lender reserves the right to terminate this commitment prior to the settlement of the loan in the event of any adverse change in your personal or financial status, or the improvements on the property are damaged by fire or another casualty.

If the loan is not closed within the commitment period, the mortgage lender is no longer obligated by the commitment agreement and any commitment fee paid by the applicant will be refunded if the mortgage loan is turned down because of the applicant's lack of creditworthiness or is turned down because of the appraised value of the property intended to secure the mortgage loan and such other circumstances as are set forth in the commitment agreement.

### **Private Mortgage Insurance**

If marked "Yes" in the Terms of the Loan, Applicant must carry private mortgage insurance ("PMI").

Pursuant to Section 6503(d) of New York's Insurance Law, Applicant(s) shall not be required to pay, directly or indirectly, the cost of continuing PMI on a loan secured by a first lien on real estate when the unpaid principal amount of the real estate loan represents seventy-five percent or less of the real estate's appraised value at the time the loan was made or such higher percentage of such appraised value as may be established from time to time by general regulation of the superintendent of financial services.

Applicant(s)' PMI may be terminated sooner under federal law. Additional information explaining how the federal law may affect Applicant(s)' PMI is provided below.

Applicant(s) may request that Lender or the current lender of the Loan remove the PMI ("PMI Removal Request"). If Lender is the current owner of the Loan at the time of the PMI Removal Request, then Applicant(s) shall be eligible for PMI cancellation under the following conditions:

- (1) The date the principal balance of the Loan is first scheduled to reach 80% of the original value of the Property, based solely on the initial amortization schedule for the Loan and irrespective of the outstanding balance of the Loan on that date. If the Loan is subject to a balloon payment, this date may not be reached before the balloon payment comes due.
- (2) The date the principal balance of the Loan actually reaches 80% of the original value of the property, based solely on Applicant's actual Loan payments.

PMI may be removed under such circumstances, but is conditioned upon a written request to the servicer of the Loan to remove PMI; a good payment history; Applicant is current on Loan payments; and the servicer receives, if the servicer requests and at Applicant's expense, (A) evidence satisfactory to the holder of the Loan at the time of the written cancellation request that the Property's value has not declined below its original value, and (B) certification that there are no subordinate liens on the Property.

If Applicant(s) is current on the Loan payments, PMI will automatically terminate on the date the principal balance of the Loan is first scheduled to reach 78% of the original value of the property, based solely on the initial amortization schedule for the Loan and irrespective of the outstanding balance of your loan on that date.

If, at the time of PMI Removal Request, Lender no longer owns or services the Loan, Applicant(s) will need to submit a request for PMI removal to the then current owner and/or servicer of the Loan.

### **SPECIFIC UNDERWRITING CONDITIONS**

#### **Specific Conditions for Your Mortgage Loan**

A list of specific conditions or additional items that are required for the final approval of your mortgage loan application are listed in the pages attached to this commitment.

### **ACKNOWLEDGEMENT**

This is a binding agreement and is enforceable by the borrower.

By signing below, you hereby acknowledge reading and understanding all of the information disclosed above, and receiving a copy of this Commitment on the date indicated below.

IF YOU SIGN THIS COMMITMENT, AND YOU DO NOT CLOSE THIS LOAN IN ACCORDANCE WITH THE DESCRIBED TERMS, YOU MAY LOSE SOME OR ALL OF THE FEES OR CHARGES YOU HAVE PAID.

---

Johanny A. Morales

Date

---

Date

**Cardinal Financial Company, Limited Partnership Representative**



Erica Price  
Chief of Mortgage Operations  
Date Executed: 11/11/2020