

MORTGAGE INVESTMENT DISCLOSURE FORM B
Required to be Provided Before Each Investment in a New Loan
(To Be Completed By Mortgage Broker & Private Investor)

*****IMPORTANT NOTICE TO INVESTOR*****

- The mortgage broker with whom you are dealing is not a depository financial institution and your investment is not insured by any depository insurance and is not insured or guaranteed by any agency of the State of Nevada or the Federal Government.
- There is not any guarantee that you will receive your interest or principal payments. You could lose the entire amount of your principal investment. If the property is foreclosed upon, you may still lose some or all of your investment.
- A second trust deed or second mortgage is subordinate to, and has a higher degree of risk than, a first deed of trust or first mortgage investment.
- If you are investing in a fractionalized interest in a deed of trust or mortgage loan, investors holding 51% or more of the outstanding principal balance or ownership interests may act on behalf of all investors in matters which require the action of the holders of beneficial or ownership interests.
- Be cautious if you are encouraged to borrow money in order to invest in a deed of trust or mortgage loan. You could lose the entire amount of your investment and still be required to re-pay the amount you borrowed.
- Before investing in deed of trust or mortgage, consider consulting with an independent financial advisor and/or attorney to assess the risks involved.

Additional IMPORTANT information may be found in Mortgage Investor Disclosure Form A

PART I

About the Mortgage Broker

(To be Completed by the Mortgage Broker)

MORTGAGE BROKER NAME: _____

MORTGAGE BROKER LICENSE/NMLS NO.: _____

1. Does the mortgage broker with whom the private investor is dealing, or any relative of the mortgage broker, acting in any capacity, or have any other interest in the mortgage loan, other than as a mortgage broker?

Yes No

If yes, explain: _____

2. Has any disciplinary action been taken by the Commissioner against the mortgage broker or any general partner, officer or director of the mortgage broker within the preceding 12 months?

Yes No

If yes, explain the nature of any such disciplinary action: _____

3. Has the mortgage broker or any general partner, officer or director of the mortgage broker been convicted within the immediately preceding 12 months for violating any law, ordinance or regulation that involves fraud, misrepresentation or a deceitful, fraudulent or dishonest business practice?

Yes No

If yes, explain: _____

4. You may obtain a copy of the mortgage broker's most recent financial statement by completing and submitting the attached Authorization to Release Financial Statement form. Do you wish to obtain a copy of the mortgage broker's financial statement?

Yes No

PART II
(A)
About the Loan

(To be Completed by the Mortgage Broker)

NAME OF THE BORROWER: _____

PROJECT NAME/LOAN NO.: _____

PROPERTY ADDRESS: _____

PROPERTY VALUE: _____

(Based upon independent appraisal or other independent property valuation)

NAME OF PRIVATE INVESTOR: _____

PRIVATE INVESTOR CONTRIBUTION (\$ and % interest): _____

TOTAL LOAN AMOUNT: \$ _____

PRIORITY OF LIEN THIS LOAN WILL HOLD: First Second Other: _____

Status of Existing Liens/Encumbrances

1. If the real property that will secure this loan is encumbered by one or more other liens, provide the following information for each lien (include liens that will be paid off by new loan):

a. Original Loan Amount: \$ _____ b. Outstanding Loan Balance: \$ _____

c. Current Status of Payments (Including Whether the Debt is Being Paid or is in Default):

d. Priority of Lien: First Second Other: _____

e. Will the proceeds of this loan be used to pay off and satisfy this lien? Yes No

(B)

Documents Received or Waived Before Investing in the Loan

(To be Completed by the Private Investor)

Prior to investing my money with the mortgage broker to acquire ownership of or a beneficial interest in this loan, I understand that I am entitled to receive the below information and documents concerning the borrower and the real property that will secure my investment. This is to acknowledge that I either received or waived the right to receive the following documents from the mortgage broker **before** I made the decision to invest in the above loan:

1. A written application for the loan which is signed by the prospective borrower and which contain the borrower's address, a history of his employment and income, details of monthly payments he is obliged to pay and any other information requested by me.

Received Waived

2. Evidence of the prospective borrower's history of employment and income, such as a tax return or an employer's statement of the borrower's past yearly income.

Received Waived

3. A report on the prospective borrower's history of credit issued by a credit reporting agency, including an explanation by the borrower of any material derogatory item in the report and evidence that the report has been compared for accuracy to the borrower's application for the loan.

Received Waived

4. An analysis by the mortgage broker of the ability of the prospective borrower to pay his monthly debts.

Received Waived

5. A preliminary report on the status of the title of the property which is proposed as security for the loan.

Received Waived

6. A copy of the written appraisal of the property which is proposed as security for the loan which has been prepared by an appraiser who is authorized to perform appraisals in this State.

Received Waived

Complete if Receipt of Property Appraisal Waived

If you waive the right to receive a copy of the written appraisal of the property which is proposed as security for the loan which has been prepared by an appraiser who is authorized to perform appraisals in this State, prior to accepting any money for investment, the mortgage broker is required to provide you with a separate written disclosure which contains the information analyzed, the valuation methods and techniques employed and the reasoning for any opinion regarding the value of the real property provided by or on behalf of the mortgage broker.

I acknowledge receipt of the above separate written disclosure concerning the valuation of the real property.

Received Not Received

By affixing my signature below, I hereby certify that (1) I have received the Mortgage Investment Disclosure Form A and that (2) I am aware of the risks and responsibilities involved in this type of investment and that (3) I either received or waived the right to receive the above listed information and documents **before** I made my decision to invest in the loan.

Name of Private Investor (printed): _____

Private Investor's Signature (required): _____ Date: _____

Name of Mortgage Broker: _____

Name of Authorized Signatory (printed): _____ MLD Lic./NMLS ID: _____

Authorized Signature (required): _____ Date: _____

PART III
Certification of Minimum Financial Requirements
(To be Completed by the Private Investor)

Nevada law requires a private investor to certify that they meet the following minimum financial requirements before they enter into a transaction with a mortgage broker to invest money to acquire ownership of or a beneficial interest in a loan secured by a lien on real property.

By affixing my signature below, I hereby certify that I meet the minimum financial requirements and my response to following questions is true and correct.

1. I meet one or both of the following minimum financial requirements (initial all that apply):

_____ My household net worth exceeds \$250,000.00, excluding any equity that I have in my primary residence at the time of this investment.

_____ My household net annual income (gross income less taxes) was more than \$70,000.00 for each of the previous 2 tax years, and there is a reasonable expectation of attaining or exceeding the same income for the current year.

2. The total investments I have in mortgage loans transacted by a mortgage broker are not valued at more than 50% of one of the following, whichever is greater (initial one):

_____ My household net worth

or

_____ My household net annual income (gross income less taxes)

Name of Private Investor (printed): _____

Private Investor's Signature (required): _____ Date: _____

Name of Mortgage Broker: _____

Name of Authorized Signatory (printed): _____ MLD Lic./NMLS ID: _____

Authorized Signature (required): _____ Date: _____