



Declaration of Non-Owner Occupancy and Business Purpose

I the undersigned (if in connection with a loan to one or more natural persons, “Borrower” and “Co-Borrower” or, if in connection with a loan to one or more business entities, their authorized representative(s) (“Representative(s)”) certify, represent, warrant and covenant to Lender (“Originator”) as follows:

I have applied to Originator for a loan for investment purposes (the “Loan”) secured by the real property located at _____ (the “Property”).
I will not primarily use the proceeds of the Loan for personal, family, or household purposes.

I will primarily use the proceeds of the Loan to conduct the following active business in connection with the Property. (Select all that apply.)

“Fix-and-flip” business consisting of the acquisition and/or renovation of the Property for the primary purpose of reselling the Property for profit.

Rental business consisting of the acquisition and/or renovation of the Property for the primary purpose of renting the Property for profit.

Other business consisting of _____

My true and only principal residence is _____

I will not occupy the Property as a principal or secondary residence or use it as a vacation home. If the Property consists of multiple dwelling units, I will not occupy any of the units as a principal or secondary residence or reside in any unit. In addition, no (i) party holding a direct or indirect equity interest in the Borrower or Co-Borrower (if entities), (ii) officer, director, executive or manager of the Borrower or Co-Borrower, their Representatives or any party described in clauses (i) or (ii) will occupy the Property or any portion of the Property as a principal or secondary residence or reside in the Property or any portion of the Property.

The Loan is a business-purpose loan secured by non-owner occupied residential property. I understand (i) the difference between a consumer loan for personal, family or household purposes, and (ii) the difference between a loan secured by owner-occupied property and a loan secured by property other than owner-occupied property. I understand that because the Loan proceeds will be used primarily* for business purposes and the Loan will be secured by property that will not be owner-occupied, many laws applicable to consumer-purpose loans or loans secured by owner-occupied property are not applicable to the Loan, including but not limited to the following:

Truth in Lending Act (15 U.S.C. § 1601 et seq.), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.), Gramm-Leach-Bliley Act (15 U.S.C. §6802-6809), Secure and Fair Enforcement

Mortgage Licensing Act (12 U.S.C. § 5101 et seq.), and Homeowners Protection Act (12 U.S.C. § 4901 et seq.).

*Per § 1026.3, an extension of credit made “primarily” for a business purpose is not subject to the provisions and consumer safeguards of the Federal Truth in Lending Act and its implementing regulation, Regulation-Z. For the purposes of purchase transactions and rate/term refinance transactions, business purpose will necessarily require exclusive business purpose; however, for a cash-out refinance transaction, the following shall constitute a primary business purpose:

- Preexisting mortgage lien on subject non-owner-occupied rental property shall be refinanced
- New money (cash-out) shall be used primarily for business purpose
 - Primary business purpose is determined by no less than 51% of the cash-out being applied toward a documented business purpose
- Borrower shall certify in writing their stated use of the cash-out
 - No material change may be made in the intended use of the cash-out from the time of loan submission through loan funding without HomeXpress underwriting validating that the cash-out will still be used primarily for a business purpose.

I understand that any representation, warranty and covenant I have made in this declaration will survive the closing of the Loan.

I understand that the Originator, any Broker involved in the origination of the Loan, and their assignees and successors will rely upon this information in the origination, servicing and enforcement of the Loan.

I declare under penalty of perjury that the foregoing is true and correct.

Borrower Name - _____

Borrower's Representative - _____
(If Borrower is an Entity)

Borrower/Representative
Signature: _____ Date: _____

Co-Borrower Name - _____

Co-Borrower's Representative - _____
(If Co-Borrower is an Entity)

Co-Borrower/Representative
Signature: _____ Date: _____