



Loan Application Package

Dear Loan Applicant,

Thank you for allowing Blue Sky Mortgage, LLC to assist you with your mortgage loan application. Our number one goal is to simplify and expedite a rather complex process. Typically, this can best be achieved with your initial assistance in carefully completing this loan application package.

"UNIFORM RESIDENTIAL LOAN APPLICATION" (FNMA 1003)

This form comprises the basis of your loan request. Although treated as a worksheet, this is the most important document for your loan. Great care should be taken that each section is completed thoroughly including names, addresses, and account numbers as failure to complete sections of this application may delay the processing of the loan. Please be sure to sign the application on page 3.

SUPPORT DOCUMENTATION CHECKLIST

Although many "Alternative Documentation" options such as "No Doc", "Stated Income", "No Income/No Asset" may limit the need for these items, "Full Documentation" (per attached checklist) generally results in the very best rates and terms. Please review carefully and begin gathering this information for your loan file. You may want to call and discuss some of these options and the net cost, if any, to your transaction.

CERTIFICATION AND AUTHORIZATION

This form "certifies" what you've given us is correct and "authorizes" us to begin processing your loan request. Please sign and return.

We must have each of these "original" signed documents in our file eventually, however to expedite the process it would be very helpful if you would fax the Application and Authorization Forms in advance.

Once again, thank you for choosing Blue Sky Mortgage, LLC. We realize that no two properties or financial statements are exactly the same so please don't hesitate to call if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Brenner".

Jimmy Brenner / Loan Officer
Dominica Romero / Loan Assistant

Jimmy@Blue-Sky-Mortgage.com
Dominica@Blue-Sky-Mortgage.com

Blue Sky Mortgage
100 West Beaver Creek Blvd. #121 Avon, CO 81620
P.O. Box 1040 Vail, CO 81658
Phone 970/476.0602 Fax 970/476.0886
www.Blue-Sky-Mortgage.com



SUPPORT DOCUMENTATION CHECKLIST

INCOME DOCUMENTATION

SELF-EMPLOYED

____ 2 Years previous and most current Personal Income Tax Returns (Federal Only), complete with all schedules, W-2's, attachments and K-1's.

____ 2 Years previous and most current Federal Corporate (S or C) or Partnership Tax Returns complete with all schedules and attachments, if you own 25% or more of the company.

____ Most recent Year-To-Date Profit and Loss (P&L) and Balance Sheet for each corporation or partnership if you own 25% or more of the company.

EMPLOYED

____ 2 Years previous and most current W-2 statements for each employer.

____ Two most recent consecutive pay stubs.

ASSETS DOCUMENTATION

____ Stocks, Bonds, IRA's, and Investments-Please provide 2 most recent monthly, consecutive statements with all pages.

____ Checking, Savings, CD's, etc.- Please provide 2 most recent monthly, consecutive statements with all pages. (Please include complete addresses on the application)

LIABILITY DOCUMENTATION

____ Complete copy of Divorce Decree/Proof of Child Support, if applicable

____ YOUR address for last 2 years and Landlord's mailing address & phone number if you have rented

____ Complete addresses with account numbers for all lenders on all real estate owned with mortgages.

MISCELLANEOUS DOCUMENTATION

____ \$500.00 Application Fee (credited towards appraisal and credit report).

____ PURCHASE: Copy of Sales Contract fully executed with all addendum attached

____ PURCHASE: Copy of canceled earnest money check

____ REFINANCE: Copy of original settlement sheet (HUD-1)

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Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower _____ Co-Borrower _____

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for:	<input type="checkbox"/> VA	<input checked="" type="checkbox"/> Conventional	<input type="checkbox"/> Other (explain):	Agency Case Number	Lender Case Number
	<input type="checkbox"/> FHA	<input type="checkbox"/> USDA/Rural Housing Service			

Amount \$	Interest Rate %	No. of Months	Amortization Type:	<input checked="" type="checkbox"/> Fixed Rate	<input type="checkbox"/> Other (explain):
				<input type="checkbox"/> GPM	<input type="checkbox"/> ARM (type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state, & ZIP)	No. of Units
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Legal Description of Subject Property (attach description if necessary)	Year Built
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Purpose of Loan	<input checked="" type="checkbox"/> Purchase	<input type="checkbox"/> Construction	<input type="checkbox"/> Other (explain):	Property will be:
	<input type="checkbox"/> Refinance	<input type="checkbox"/> Construction-Permanent		<input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
	\$	\$	\$	\$	\$

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	<input type="checkbox"/> made <input type="checkbox"/> to be made
	\$	\$		Cost: \$	

Title will be held in what Name(s)	Manner in which Title will be held	Estate will be held in:
		<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold(show expiration date)
Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)		

III. BORROWER INFORMATION

Borrower	Co-Borrower
Borrower's Name (include Jr. or Sr. if applicable)	Co-Borrower's Name (include Jr. or Sr. if applicable)

Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School	Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School
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<input type="checkbox"/> Married	<input type="checkbox"/> Unmarried (include single, divorced, widowed)	Dependents (not listed by Co-Borrower)	no.	ages	<input type="checkbox"/> Married	<input type="checkbox"/> Unmarried (include single, divorced, widowed)	Dependents (not listed by Borrower)	no.	ages
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Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
--	--

Mailing Address, if different from Present Address	Mailing Address, if different from Present Address
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If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
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Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
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Borrower		IV. EMPLOYMENT INFORMATION		Co-Borrower	
Name & Address of Employer	<input type="checkbox"/> Self Employed	Yrs. on this job	Name & Address of Employer	<input type="checkbox"/> Self Employed	Yrs. on this job
		Yrs. employed in this line of work/profession			Yrs. employed in this line of work/profession
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$	\$	\$	Rent	\$	
Overtime				First Mortgage (P&I)		\$
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/Interest				Real Estate Taxes		
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues		
				Other:		
Total	\$	\$	\$	Total	\$	\$

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income **Notice:** Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C	Monthly Amount
	\$

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS					
a. Purchase price	\$	If you answer "Yes" to any questions a through i, please use continuation sheet for explanation. a. Are there any outstanding judgments against you? b. Have you been declared bankrupt within the past 7 years? c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years? d. Are you a party to a lawsuit? e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? <small>(This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)</small> f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? <small>If "Yes," give details as described in the preceding question.</small> g. Are you obligated to pay alimony, child support, or separate maintenance? h. Is any part of the down payment borrowed? i. Are you a co-maker or endorser on a note? ----- j. Are you a U. S. citizen? k. Are you a permanent resident alien? l. Do you intend to occupy the property as your primary residence? <small>If "Yes," complete question m below.</small> m. Have you had an ownership interest in a property in the last three years? (1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)? _____ (2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)? _____		Borrower		Co-Borrower	
b. Alterations, improvements, repairs				Yes	No	Yes	No
c. Land (if acquired separately)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Refinance (incl. debts to be paid off)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Estimated prepaid items				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Estimated closing costs				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. PMI, MIP, Funding Fee				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Discount (if Borrower will pay)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Total costs (add items a through h)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Subordinate financing				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Borrower's closing costs paid by Seller				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Other Credits (explain)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Loan amount (exclude PMI, MIP, Funding Fee financed)				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n. PMI, MIP, Funding Fee financed				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o. Loan amount (add m & n)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
p. Cash from/to Borrower (subtract j, k, l & o from i)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature X	Date	Co-Borrower's Signature X	Date
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X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

To be Completed by Interviewer This application was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet	Interviewer's Name (print or type) Jimmy Brenner Interviewer's Signature _____ Date _____ Interviewer's Phone Number (incl. area code) 970-476-0602	Name and Address of Interviewer's Employer Blue Sky Mortgage LLC PO BOX 1040 Vail, CO 81658 (P) 970-476-0602 (F) 970-949-1192
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Borrower's Certification & Authorization

1. I/We have applied for a mortgage loan from **Blue Sky Mortgage, LLC**. In applying for the loan, I/we completed a loan application containing various information on the purpose of the loan, the amount and source of the down payment, employment and income information, and assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/we omit any pertinent information.
2. I/We understand and agree that **Blue Sky Mortgage, LLC** reserves the right to change the mortgage loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.
3. I/We intend, upon taking title to the prospective property, to occupy as (circle one): Primary Residence – occupied by applicant(s) within 30 days of closing; Secondary Residence – to be occupied by applicant(s) at least 15 days yearly, as second home (vacation, etc.), while maintaining principal residence elsewhere; Investment Property – not owner occupied; purchased as an investment to be held or rented.
4. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.
5. I/We understand that our mortgage application may be selected by **Blue Sky Mortgage, LLC** and/or its assigns or agent for a Quality Control review as required by Lenders regulatory agency (Office of Thrift Supervision), the investor and the Insurer (FHA, VA, or Mortgage Insurance Company). The quality control review will involve re-verification of any or all of the information provided by me/us on the application as well as the property valuation.
6. I agree to cooperate with Blue Sky Mortgage, LLC and/or its agent or assigns to the extent necessary to accomplish this review. It is understood that the information may be verified with third parties such as employers, depository institutions or credit reporting agency.

AUTHORIZATION TO RELEASE INFORMATION

1. I/We have applied for a mortgage loan from **Blue Sky Mortgage, LLC**. As part of the application process, **Blue Sky Mortgage, LLC** and the mortgage guaranty insurer (if any), may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I/We authorize you to provide to **Blue Sky Mortgage, LLC**, and to any investor to whom **Blue Sky Mortgage, LLC** may sell my/our mortgage, and to the mortgage guaranty insurer (if any), any and all information and documentation that they request. Such information includes, but is not limited to , employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns. I further authorize **Blue Sky Mortgage, LLC** to order a consumer credit report and verify other credit information, including past and present mortgage and landlord references.
3. **Blue Sky Mortgage, LLC** or any investor that purchases the mortgage, or the mortgage guaranty insurer (if any), may address this authorization to any party named in the loan application.
4. A copy of this authorization may be accepted as an original.
5. I have reviewed and signed the conventional borrower disclosure agreement.

Borrower Name

Borrower SSN

Date

Co-Borrower Name

Co-Borrower SSN

Date

Blue Sky Mortgage, LLC

P.O. Box 1040 Vail, CO 81658
Phone 970/476.0602 Fax 970/476.0886
www.Blue-Sky-Mortgage.com



Conventional Borrower Disclosures without Mortgage Insurance

Please read the following disclosures carefully. You must be certain that you understand this transaction. Sign this document only after you have read all the pages. Seek professional advice if you are uncertain.

Fair Credit Reporting Act

In connection with your application for a loan, please be advised that we will order a credit report or a consumer report regarding your credit experience. This report may contain information on your character, general reputation, personal characteristics or mode of living in addition to your actual credit experience from persons or firms with which you have done business, your credit worthiness, credit standing and credit capacity. You have the right given by Federal Law to know the nature and scope of the information given in this report if you make a written request for that information. In the event we deny your application or raise the charge for extending your credit based on any information, you have the right within 60 days, pursuant to provisions of section 615(b) of the Fair Credit Reporting Act to make a written request that we disclose the nature of the information to you. We shall also advise you of the information in the consumer report and the name and address of the reporting agency. By my (our) signature below, I (we) acknowledge receipt of a copy of this information letter.

Real Estate Settlement Procedures Act (RESPA)

By my (our) initials below, I (we) hereby acknowledge receipt of a copy of the special information booklet entitled, "Settlement Costs, a HUD Guide".

The loan applied for is an adjustable rate mortgage (ARM). I (we) hereby acknowledge the receipt of the special information booklet entitled "Consumer Handbook on Adjustable Rate Mortgages" and an initial ARM disclosure. _____

Equal Credit Opportunity Notice

The Federal Equal Credit Opportunity Act prohibits discrimination against credit applicants on the basis of sex or marital status. The Federal Agency which administers compliance with this law concerning this private mortgage company is the Federal Trade Commission, Washington, DC 20580. Additionally, the Federal Fair Housing Act also prohibits discrimination on the basis of race, color, religion, sex, physical disability, familial status, or national origin.

Flood Disaster Act

I/We hereby acknowledge that we have been advised of the Flood Disaster Protection Act of 1973 and the requirements for insurance if the property is determined to be located in a Flood Hazard Area as designated by the Act. I/We authorize Blue Sky Mortgage, LLC its successors and/or assigns to purchase such insurance and agree to pay for the insurance promptly.

Rate And Discount Commitments

Without a written Rate and Discount Commitment executed by the Lender, any verbally discussed interest rate and or discount points are not binding upon the Lender. If a loan is locked and you receive written confirmation of the rate, the loan must close and disburse on or before the date of expiration under the exact terms, loan amount and product outlined in your written commitment. The rate cannot be guaranteed if there are any changes made.

Initials _____

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Blue Sky Mortgage, LLC
P.O. Box 1040 Vail, CO 81658
Phone 970/476.0602 Fax 970/476.0886
www.Blue-Sky-Mortgage.com



Right to Receive Appraisal

If an appraisal report was required as part of the loan program you chose, you have a right to receive a copy of the appraisal report used in connection with your application for credit. In order to obtain a copy of the appraisal report and if you have not already paid for the cost, you must do so at the time you made your request. In your letter, please provide 1) your name, 2) your loan number, and 3) the property address. Send request to Blue Sky Mortgage, LLC P.O. Box 1040 Vail, CO 81658.

Notice to Mortgage Loan Applicant – Appraisal Alternatives

As part of the review of your mortgage loan application, Blue Sky Mortgage, LLC may obtain an alternative type of property valuation rather than an appraisal. This means that the acceptability of your property as collateral for your loan may be confirmed by a property valuation model and/or an exterior only inspection or by some other means that is not an appraisal of the property. This appraisal alternative we obtain is for lending purposes only and should not be relied upon to protect your interests in the transaction (for example, to confirm the purchase price of the property). If you prefer, you may request an appraisal in lieu of an appraisal alternative.

Servicing Transfer Disclosure Statement

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 Settlement Procedures Act (RESPA) (12 U.S.C. Section 2601 et seq.) you have certain rights under that Federal law. This statement tells you about those rights. It also tells you what the 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 of 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 the transfer. Also, a notice of prospective transfer may be provided to you at settlement (when title to your new property is transferred to you) 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 certain limited circumstances, when your servicer is changed 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 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 and toll-free or collect call telephone number of a person or department for both your present servicer and your new servicer to answer your questions about the transfer of servicing. During the 60-day period following the effective date of the 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. Section 2605) gives you certain consumer rights, whether or not your loan is transferred. If you send a "qualified written request" 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 a 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 your reasons for the request.

Initials _____



Not later than 60 business days after receiving your request, your servicer must make any appropriate corrections to your account and must 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 concerning any overdue payment related to such period or qualified written request.

Damages and Costs

Section 6 of RESPA also provides for damages and costs 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:

- X 1. We do not service mortgage loans and have not serviced loans in the past three years. We intend to assign, sell or transfer the servicing of your loan to another party. You will be notified at settlement regarding the servicer.
- X 2. For all the loans that we make in the 12 month period after your loan is funded, we estimate that the chances that we will transfer the servicing of those loans is between: __ 0 to 25% __ 26 to 50% __ 51 to 75% X 76 to 100%.
- X 3. This is our record of transferring the servicing of the loans we have made in the past: 2006 - 100% transferred, 2005 - 100% transferred, 2004 -100% transferred.

The estimates in 2. and 3. above does 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.

Occupancy Statement

Primary Residence

I/We hereby certify that my/our intent in seeking this loan is to obtain financing for the purchase of a home to be used as my/our principal residence, with occupancy to begin within 30 days after closing and extend for an indefinite period of time in the future.

I/We recognize that any loan made pursuant to this application is contingent upon owner occupancy, and agree that (1) failure to occupy the property as provided in this certification shall constitute a DEFAULT under the terms of the loan; and (2) in case of such default, I/we must, upon recall of the loan by Blue Sky Mortgage, LLC, its successors and/or assigns, immediately pay the full balance of the loan and any other amounts to which the company is entitled, upon default.

Second Home

I/We hereby certify that my/our intent in seeking this loan is to obtain financing for the purchase of a home to be used as my/our vacation home.

I/We recognize that any loan made pursuant to this application is contingent upon occupancy as a vacation home, and agree that (1) failure to occupy the property as provided in this certification shall constitute DEFAULT under the terms of the loan; and (2) in case of such default, I/we must, upon recall of the loan by Blue Sky Mortgage, LLC, its successors and/or assigns, immediately pay the full balance of the loan and any other amounts to which the company is entitled, upon default.

It is further understood that I/we may be required to sign a document at closing indicating that the home being financed must be available for my/our use 100% of the time.

The Property is/will be Investment Property

The Property will not be occupied or claimed as a Principal or Secondary Residence by any of the Borrowers, and may produce revenue. Each Borrower now owns, resides, uses and claims another property or properties as Borrower's residential homestead.

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Blue Sky Mortgage, LLC
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Brokered Loans

From time to time Blue Sky Mortgage, LLC will use a source of funding for mortgage loans other than our own. We have entered into independent contractor agreements with various lenders in an effort to assist you in meeting your financial needs. We do not distribute the products of all lenders in the market and cannot guarantee the lowest price or best terms available in the market.

If we choose to use a source of funding other than our own, we will be acting as an independent contractor and not as your agent. The price we offer you – your interest rate, total points and fees – will include our compensation. In some cases, either you or the lender may pay us all of our compensation. Alternatively, both you and the lender may pay us a portion of our compensation. 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 or related servicing rights in the market place or (ii) other services, goods or facilities performed or provided by us to the lender. The amount of fees and charges that you pay in connection with loans that fall within this category will be estimated on your Good Faith Estimate. The final amounts will be disclosed on your HUD-1 or HUD 1A Settlement Statement.

Privacy Policy Disclosure

Respecting and protecting customer privacy is vital to our business. By explaining our Privacy Policy to you, we trust that you will better understand how we keep our customer information private and secure while using it to serve you better. Keeping customer information secure is a top priority, and we are disclosing our policies to help you understand how we handle the personal information about you that we collect and disclose. This notice explains how you can limit our disclosing of personal information about you. The provisions of this notice will apply to former customers as well as current customers unless we state otherwise.

The Privacy Policy explains the Following:

- . Protecting the confidentiality of our customer information.
- . Who is covered by the Privacy Policy.
- . How we gather information.
- . The types of information we share, why, and with whom.
- . Opting Out – how to instruct us not to share certain information about you or not to contact you.

Protecting the Confidentiality of Customer Information:

We take our responsibility to protect the privacy and confidentiality of customer information very seriously. We maintain physical, electronic, and procedural safeguards that comply with federal standards to store and secure information about you from unauthorized access, alteration, and destruction. Our control policies, for example, authorize access to customer information only by individuals who need access to do their work.

From time to time, we enter into agreements with other companies to provide services to us or make products and services available to you. Under these agreements, the companies may receive information about you but they must safeguard this information, and they may not use it for any other purposes.

Who is covered by the Privacy Policy:

We provide our Privacy Policy to customers when they conduct business with our company. If we change our privacy policies to permit us to share additional information we have about you, as described below, or to permit disclosures to

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additional types of parties, you will be notified in advance. This Privacy Policy applies to consumers who are current customers or former customers.

How We Gather Information:

As part of providing you with financial products or services, we may obtain information about you from the following sources:

Applications, forms, and other information that you provide to us, whether in writing, in person, by telephone, electronically, or by any other means. This information may include your name, address, employment information, income, and credit references;

Your transaction with our affiliates, or others. This information may include your account balances, payment history, and account usage;

Consumer reporting agencies. This information may include account information and information about your credit worthiness;

Public sources. This information may include real estate records, employment records, telephone numbers, etc.

Information We Share:

We may disclose information we have about you as permitted by law. We are required to or we may provide information about you to third-parties without your consent, as permitted by law, such as:

- To regulatory authorities and law officials.
- To protect against or prevent actual or potential fraud, unauthorized transactions, claims, or other liability.
- To report account activity to credit bureaus.
- To consumer reporting agencies.
- To respond to a subpoena or court order, judicial process or regulatory authorities.

In connection with a proposed or actual sale, merger, or transfer of all or a portion of a business or an operating unit, etc.

In addition, we may provide information about you to our service providers to help us process your applications or service your accounts. Our service providers may include billing service providers, mail and telephone service companies, lenders, investors, title and escrow companies, appraisal companies, etc.

We may also provide information about you to our service providers to help us perform marketing services. This information provided to these service providers may include the categories of information described above under "How We Gather Information" limited to only that which we deem appropriate for these service providers to carry out their functions.

We do not provide non-public information about you to any company whose products and services are being marketed unless you authorize us to do so. These companies are not allowed to sue this information for purposes beyond your specific authorization.

Opting Out

We also may share information about you within our corporate family of office(s). We may share all of the categories of information we gather about you, including identification information (such as your name and address), credit reports (such as your credit history),

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application information (such as your income or credit references), your account transactions and experiences with us (such as your payment history), and information from other third parties (such as your employment history).

By sharing this information we can better understand your financial needs. We can then send you notification of new products and special promotional offers that you may not otherwise know about. For example, if you originally obtained a mortgage loan with us, we would know that you are a homeowner and may be interested in hearing how a home equity loan may be a better option than an auto loan to finance the purchase of a new car.

You may prohibit the sharing of application and third-party credit-related information within our company or any third-party company at any time. If you would like to limit disclosures of personal information about you as described in this notice, just check the appropriate box or boxes to indicate your privacy choices.

- Please do not share personal information about me with non-affiliated third-parties.
- Please do not share personal information about my with any of your affiliates except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by myself.
- Please do not contact me with offers of products or services by mail.
- Please do not contact me with offers of products or services by telephone.

Note for Joint Accounts: Your Opt Out choices will also apply to other individuals who are joint account holders. If these individuals have separate accounts, your Opt Out will not apply to those separate accounts.

Authorization To Release Information

I/We hereby authorize Blue Sky Mortgage, LLC, hereinafter referred to as "Lender", any investor to whom Lender may sell my mortgage, and the mortgage guaranty insurer (if applicable), to verify my/our past and present employment earnings records, bank accounts, stock holdings, and any other asset balances needed to process my/our mortgage loan application. I/We further authorize Lender and the mortgage guaranty insurer (if applicable), to order a consumer credit report and verify other credit information including past and present mortgage and landlord references. It is understood that a photocopy of this form will also serve as authorization.

The information obtained is only to be used in the processing of my/our application for a mortgage loan or as part of the Lender's and mortgage guaranty insurer's quality control program.

Privacy Act Notice: The information to be obtained will be used by the Lender and any federal agency insuring, guaranteeing or purchasing the mortgage to determine whether you qualify as a prospective borrower under the Lender's and the agency's underwriting standards. The information will not be disclosed outside the Lender and the federal agency without your consent except to the person or company verifying the information including, but not limited to, your employer, bank, lender and any other credit reference as needed to verify other credit information and as permitted by law. You do not have to give us this information, but if you do not, your mortgage loan application may be delayed or rejected. The information we obtain is authorized by Title 38, U.S.C. Chapter 37 (if VA); and 12 U.S.C. Section 1701 et seq. (if HUD/FHA).

Patriot Act Information Disclosure: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who obtains a loan or opens an account. What this means to you: We will ask you for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents at application as well as closing.

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