



CalPERS Loan Certification

Applicant Name(s): _____

Broker: _____

Property Address: _____

Participant: _____

- (1) A CalPERS Member may have only one outstanding CalPERS Mortgage Loan at any given time. Therefore, an eligible Member who assumes the role of co-borrower on another Member's Mortgage Loan is ineligible for another CalPERS Mortgage Loan until the existing Mortgage Loan is paid in full. By signing below, the undersigned represents they DO NOT have any current outstanding Mortgage Loan with CalPERS, or the undersigned DOES have an outstanding Mortgage Loan with CalPERS and it will be paid in full at Closing. Failure to comply with this provision may cause the Mortgage Loan to become immediately due and payable.
- (2) The CalPERS Mortgage Loan requires the property be owner occupied. The CalPERS Member certifies they intend to occupy the property as their principal place of residence. If, for any reason, they are unable to occupy the property, they will immediately notify the company servicing the Mortgage Loan with a complete explanation. Failure to comply with this provision may cause the Mortgage Loan to become immediately due and payable. The CalPERS Member understands that CalPERS has the authority to accept or deny the explanation for non-compliance. The Mortgage Loan servicer is responsible for submitting the explanation to CalPERS upon receipt of such notification and explanation from the CalPERS Member.
- (3) The CalPERS Member Home Loan Program is managed by CitiMortgage. CitiMortgage does not originate CalPERS Mortgage Loans. CitiMortgage and CalPERS have contracted with the Participant to provide CalPERS Member Home Loan financing. If the Lender is different than the Participant (brokered transactions), Manager and CalPERS have contracted with the Participant as a wholesale lender. Any questions not answered by the Lender may be directed to 1-800-874-7377.
- (4) The CalPERS Mortgage Loan has several benefits, including conventional and government financing, competitive interest rates, a free 60 and 90 day rate lock with two free interest rate "float down" options, a 100% financing option, controlled closing fees, closing cost assistance, and the added security of utilizing the CalPERS Member Home Loan Program sponsored by CalPERS. It is important that the CalPERS Member understand that by exercising their option to begin a CalPERS Mortgage Loan, CalPERS is allocating funds for their use and benefit. Also, once committed, a CalPERS Mortgage Loan **CANNOT SWITCH TO ANY OTHER COMPARABLE PRODUCT OFFERED BY THE LENDER LISTED ABOVE.**
- (5) Applicants choose when to lock the interest rate, and under what rate lock option, on their CalPERS Member Home Loan by communicating to the Lender who took their loan application. Depending on the circumstances (time of day, method of communication) it may not be possible for a Lender to lock a loan the same day they receive instructions from the applicant(s).

It is recommended that these Lock Instructions be used to communicate to the Lender the rate lock preference by initialing inside the appropriate box below and completing the required information. Any changes to those preferences should be made directly to the Lender, preferably in writing. It is also recommended that written confirmation of receipt of those changes be obtained.

Lock the CalPERS Mortgage Loan

The undersigned would like to lock the interest rate on the CalPERS Mortgage Loan as soon as feasibly possible with an interest rate no higher than _____ % at a cost of _____ % under option _____ (see options a and b below). Do not include the Origination Fee or any Loan Level Price Adjustment(s) (LLPA) in the cost. A LLPA is an additional fee due to increased risk based on defined criteria. If these terms are no longer available when Lender submits a properly completed Commitment Request to Manager, Lender will notify applicant(s) and the CalPERS Mortgage Loan will "float" under the terms of the following "Float the CalPERS Mortgage Loan" preference.

- a. 30-day rate lock – The rate lock shall commence upon the date the CalPERS Commitment Desk receives a properly completed Commitment Request from the Participant. The interest rate and price are guaranteed for 30 days from the Lock Date. There are no "float down" opportunities at Approval or Draw Date.
- b. 60 or 90-day rate lock – The rate lock shall commence upon the date the CalPERS Commitment Desk receives a properly completed Commitment Request from the Participant. The interest rate and price are guaranteed for 60 or 90 days from the Lock Date. Under this lock-in option applicants may benefit from one or both of the following CalPERS' free float down opportunities:
 - Approval Date - Date of loan approval notice by the Qualified Underwriter for conventional loans or the "pass" date on the Government loans unless Participant has delegated underwriting authority for which the Participants internal approval form will be used (if approval is after draw date the approval float down is void); or
 - Draw Date - Date of the Mortgage Note and Deed of Trust.

Float the CalPERS Mortgage Loan

The undersigned does not wish to lock the CalPERS Mortgage Loan at this time. It is understood that the terms applied for may not be available at a later date and may fluctuate either up or down. The undersigned assumes full responsibility for any change in the market conditions affecting the pricing of the CalPERS Mortgage Loan and acknowledge that any fees paid up front are non-refundable should the CalPERS Mortgage Loan be cancelled by the undersigned for any reason. The undersigned acknowledges that the Lender assumes no responsibility for contacting the applicant(s) regarding changes in pricing, and they are responsible for communicating to the Lender when they wish to have the CalPERS Mortgage Loan locked and under what option (see options a and b above).

- (6) Any Personal Loan Rate Lock shall commence upon the date the CalPERS Commitment Desk receives a properly completed Commitment Request from the Participant for the Personal Loan. Any Personal Loan shall have two float down opportunities as described above in 5b, regardless of the lock period on the Mortgage Loan. The interest rate is guaranteed until the Mortgage Loan delivery expiration date. Any Personal Loan will not be subject to re-pricing if the Mortgage Loan is re-locked; however, the expiration date of the Personal Loan rate will be extended to reflect the new Mortgage Loan delivery expiration date.
- (7) The undersigned acknowledges that should the subject CalPERS loan(s) not close within the price protection period for the chosen rate lock option for any reason including but not limited to delays beyond the control of the Lender such as those related to appraisals, credit reports, credit verification, mortgage payoffs, title problems or other information needed to process such CalPERS loan application, the CalPERS loan(s) will be re-priced at the current interest rate and price, or the last locked interest rate and price, whichever is higher.
- (8) Any change in the loan type or loan term will invalidate the Commitment, and a new Commitment will be issued upon notification by the Participant at current pricing.

**I have read and understand the
"CalPERS Loan Certification"
and agree to the terms and conditions herein.**

Applicant: _____ **Date:** _____

Applicant: _____ **Date:** _____