



OPTION TO "FLOAT" AND FINANCING AGREEMENT

Loan Amount: \$ _____ Term: _____

You have applied for a fixed rate or adjustable rate loan. Fixed rate mortgage loans are subject to an interest rate that will not vary during the term of the loan. Adjustable rate mortgage loans are subject to an interest rate and payment amount which may vary over the life of the loan as more fully described in the Description of Lender's Program provided to you at the time of loan application.

You have elected to "float" with the market from the time of application and do not wish to secure a "locked-in" price at this time. You realize that at the time you wish to secure a "locked-in" price, you must sign a Rate Contract/Financing Agreement provided by Mortgage America which will secure your price per the conditions of the contract signed. The terms and conditions of the Rate Contract/Financing Agreement executed by you will supersede this Option to Float. Our current lock-in rate contracts/financing agreements are available for your review upon request.

You realize that the particular loan (the "Product Type") for which you have applied may be discontinued in the sole discretion of Mortgage America without prior notice to you and in such event, you will not be able to obtain this Product Type unless you sign and deliver an executed rate contract/financing agreement to Mortgage America before the Product type is discontinued **and** your loan closes and disburses prior to the expiration date shown on the executed rate contract/financing agreement. If the Product Type for which you have applied is discontinued, you realize that you must apply and qualify for a different product type on the then existing terms and conditions.

LOCK-IN PROCEDURES: It is your responsibility to lock-in the interest rate and fees by notifying the Mortgage America representative who has executed this document in the processing branch of your intention to secure a lock-in. The processing branch will secure a lock-in price and confirm that lock-in with you. The lock-in confirmation will be subject to your execution of a rate contract/financing agreement which sets forth the terms and conditions of the lock-in secured.

Lock-in of interest rates and fees may be obtained between 12 Noon and 4 P.M. on any business day. Interest rates are subject to change at any time during the day without notice.

LOAN TERMS SUBJECT TO CHANGE: All loan terms not locked-in by a written commitment are subject to change until settlement.

PERIOD OF LOCK-IN: Interest rate, points and fees will be locked in only for the period of time specifically stated in the rate contract/financing agreement executed by you.

ESTIMATE OF PROCESSING TIME: Mortgage America estimates that it will take approximately 55 days or less to process and, if approved, close your loan taking into account Mortgage America's estimate of time necessary to process and close the loan. The actual time necessary to process and close the loan may vary from the estimate due to delays in Mortgage America receiving required information from you or others such as property appraisals, governmental inspection reports, credit reports, surveys, verification statements, title and other insurance commitments or policies or due to the failure of the closing agent to close the loan in a timely manner. Therefore, Mortgage America is unable to guarantee that your requested loan will be approved and closed within the estimate time or prior to the expiration of any applicable lock-in period.

If the loan does not close within one hundred twenty (120) days of the application, some of the loan documents (i.e., credit report, appraisal, verification of deposits or employment) may have to be updated. If an updated credit report and/or appraisal is needed, you will be charged for the cost of this update.

Although you have applied for a loan in the principal amount stated above, we will not commit to such an amount until we have reviewed all of the statements in your application, examined the proposed security for the loan, and conformed the loan to our underwriting guidelines. If our review reveals that you only will qualify for a loan in a lesser amount than you requested, we may unilaterally change the principal amount of the loan stated above.

You hereby authorize us to make all credit inquiries we deem necessary while processing your application for a mortgage loan. You also hereby authorize and instruct any consumer reporting agency, financial institution, employer or other person to furnish information we may request to verify the contents of your application. Finally, you agree to provide current financial information to us upon request in a form acceptable to us.

THIS OPTION TO FLOAT AND FINANCING AGREEMENT DOES NOT CONSTITUTE A COMMITMENT TO MAKE A LOAN. This rate contract provides you only with information regarding rate and point lock-ins and is conditioned upon MA approving your loan under our established underwriting guidelines.

In this Option to Float and Financing Agreement the terms "you" and "your" refer to the undersigned borrowers. The terms "our", "we", "us" and "MA" refer to Mortgage America. The term "lock-in" means that MA will honor the stated rate for the stated period, notwithstanding any other provisions of this Option to Float and Financing Agreement. The term "floating" means your rate and fees are not locked-in but change as the market price changes.

PRODUCT TYPE

PROPERTY ADDRESS

BORROWER

DATE

CO-BORROWER

DATE

MA REPRESENTATIVE

DATE