Mortgage Commitment

Response: May-06-2014 01:27:00 PM EST

BROKER INFORMATION

Name: Origination Mortgage Corp.

Address: 2061 Abbott Street Kelowna BC V1Y 1C5

Attention: Steve Nicholson | Application Reference #:OMGC-289

LENDER INFORMATION

Name: Valley First a division of First West CU

Address: 401 Glenmore Road Kelowna BC V1V1Z6

Lender Reference #: | Mortgage Insurance Reference #:

APPLICANT INFORMATION

Applicant: Ronald Heist
Veronica Smith

Property Information

Address: 7420 Sunpeaks DR Vernon BC V1V4C6

With reference to the above, Valley First a division of First West CU is pleased to provide a mortgage loan offer, under the following terms and conditions:

Loan		Terms		Payment	
Purchase/Value	$ 402,500.00	Mortgage Type	First	Principal and Interest	$ 1,811.14
Downpayment	$ 40,250.00	Term Type	Closed	Taxes (Estimated)	$ 250.00
Amount	$ 362,250.00	Interest Rate	3.290%	Taxes Paid By	Borrower
Insurance Premium	$ 8,694.00	Term (Months)	60	Total Installment	$ 2,061.14
Total Loan	$ 370,944.00	Amortization (Months)	300		
Other Mortgages		Frequency	Monthly	Commitment Expires	21-Jun-2014
Closing Date	18-Apr-2014				

LENDER AUTHORIZATION

All of our normal requirements and, if applicable, those of the mortgage insurer must be met. All costs including legal, survey, mortgage insurance, etc. are for the account of the applicant(s). The mortgage insurance premium (if applicable) will be added to the mortgage. This mortgage is subject to the details and terms outlined as well as the conditions described on the attached Schedule A.

Approved by: Catriona Heatherington
VALLEY FIRST A DIVISION OF FIRST WEST CU

CLIENT ACCEPTANCE

I/We the undersigned applicant(s) accept the terms of this mortgage as stated above and agree to fulfill the conditions of approval as outlined on the attached Schedule A to the lender's satisfaction. I/We further certify that the information given on the mortgage application is true and correct.

Applicant: Ronald Heist	Signature ____________________	Date ____________
Applicant: Veronica Smith	Signature ____________________	Date ____________

INITIAL

FirmName:	Origination Mortgage Corp.	**Lender Name:**	Valley First a division of First West CU
Attention:	Steve Nicholson	**Lender Reference #:**	
Application Reference #:	OMGC-289	**Mortgage Insurance Reference #:**	

CONDITIONS OF APPROVAL

CONDITIONS

- [ ] It is a requirement that all applicants complete the following question:

  "Will this credit account be used by or on behalf of a third party (someone other than a co-borrower)?"

  Yes____________________ No ____________________
  Initials required

- [ ] Receipt of an acceptable full appraisal report for the subject property for a minimum value of $ 450,000.00

  ** Appraisal must confirm the property is a minimum 900 Sq Ft / 84 Sq M (house) or 600 Sq Ft / 56 Sq M (Condo). Cost of appraisal is the responsibility of the borrower.

  **Maximum value given for acreages to be on house and 10 acres.

  ***It is mandatory that you order your appraisal through Solidifi's on line appraisal ordering platform @https://values.solidifi.com or call 1-866-583-3983

- [ ] Receipt of signed fixed building contract outlining all expenses.

  ** Confirmation of 10% contingency funds is required for builder built and 15% contingency funds is required for self construct.

  **VF may require contingency funds to be held on deposit with Valley First for the duration of the build.

  (RRSP savings cannot be used towards contingency)

  The construction mortgage approval will be based on the lesser of cost of construction or appraisal.

- [ ] By signing the acceptance on page 1, the applicants also agree to the following:

  In the matter of a request for lending assistance from Valley First, a division of First West Credit Union;

  I/ We, the Borrower (s) do solemnly declare that all lending facilities provided to us by Envision Financial and/or Enderby Financial (if any) have been declared to Valley First.

- [ ] 1) Receipt of Building Permit
  2) Receipt of New Home Warranty Coverage for subject property
  3) Receipt of Builders Home Protection Registration Form for building project
  4) Builder's Risk Certificate of Insurance with First West Credit Union, Valley First Region, 3rd Floor, 184 Main Street, Penticton, B.C., V2A 8G7 as First Loss Payee
  5) Branch to hold copy of plans until completion
  6) Branch to obtain copies of all required permits
  7) Branch to obtain occupancy permit

  Branch to control draws based on appraisers inspection report

- [ ] Solicitor to control payout and discharge of existing mortgage/s and/or secured lines of credit.

- [ ] Receipt of CMHC/Genworth Approval Certificate - Received # 65688738

- [ ] By signing the acceptance on page 1, the applicants also agree to the following: I/We warrant and confirm that the information given in the mortgage application form is true and correct and I/we understand that it is being used to determine my/our credit responsibility. You are authorized to obtain any information you may require relative to this application from any sources to which you may apply and each such source is hereby authorized to provide you with such information. You are furthermore authorized to disclose, in response to direct enquiries from any other lender or credit bureau, such information on my loan/mortgage account as you consider appropriate, and I agree to indemnify you against and save you harm from any and all claims in damages or otherwise arising from such disclosure on your part. You are also authorized to retain the application whether or not the relative mortgage is approved.

- [ ] It is a fundamental condition of this approval that there will be no material change in the information provided.

- [ ] Receipt of current mortgage balance statement for existing residence to confirm approximate balance owing.

	Date:	Initials: INITIAL

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Application Reference #:	OMGC-289	**Mortgage Insurance Reference #:**	

CONDITIONS

- [ ] All applicants are required to attend Valley First branch to open a membership and Account and sign mortgage documentation prior to mortgage funding. 2 pieces of identification are required - one must be Valid Photo ID - * * THERE ARE NO EXCEPTIONS TO THIS POLICY

x____________ x____________
Initials Required Initials Required

***The branch will contact the applicants to make arrangements to sign the mortgage documentation and open a membership at the same time

ASK ABOUT OUR SIMPLY FREE ACCOUNT with Free Monthly fee and Unlimited transactions per month with no minimum balance requirement

At the signing appointment the applicants will be asked to provide contact information for two personal references.

- [ ] REQUIREMENTS FOR BUILDER'S MORTGAGE

Mortgage
The approved mortgage will be based on the lessor of the finished appraised value or the cost to complete.

Interest Rate
During the construction stage regular payments of the interest only is required. Once construction is complete, the mortgage/loan will be modified to the term as outlined in the Commitment Letter schedule. Please note that in order to secure the commitment rate the first draw must be advanced within 90 days of the commitment date. If the first draw is advanced after the 90 day period the applicants would receive the current rate at the time of funding.

Term
The maximum term for construction will be six (6) months. However, in today's market and with the challenge of availability of taxes, the term may be extended to nine (9) months

Fees
Application fee - $500.00 - non-refundable

There will be a charge of $100 for each advance, plus appraisal and inspection costs charged by the appraiser. A title search will be performed by Valley First prior to each advance.

Plans
A complete set of plans, specifications of materials, and cost estimates for the proposed building is required. Any deviation from the original plans through the course of construction without the prior written consent of Valley First may result in cancellation of the mortgage.

Appraisal
An independent appraisal report stating the value of the completed construction based on plans and estimates are required. The appraiser will be supplied with site survey plans, construction plans, specification, and cost estimates in order to produce an appraisal on a completed construction basis. There will be additional appraisals/inspections as outlined in the Advances and Inspections section.

Construction Contract
A copy of all contracts relating to the construction of the house is required.

Permits/Certificates/Insurance
The following permits/certificates are required:
1. Building permits - as required by the municipal/city/regional authorities. Regional District requirements for well and septic systems must be met
2. Title insurance
3. Water Potablility Certificate - verifying the quality of water
4. Perculation test - verifying and meeting the requirements for septic systems
5. HPO License for the Building contractor, HPO Registration form and Hew Home Warranty coverage for this project must be on file
6. Builder's Risk Certificate of Insurance policy must be in place before any funds are advanced. This includes legal liability insurance with First West Credit Union as first loss payee under a Standard Mortgage Clause
7. *Occupancy Permit - at completion.

	Date:	Initials: INITIAL

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CONDITIONS

As Valley First does not perform lien holdbacks, it is the responsibility of the member to hold back sufficient funds as stipulated by law.

Advances
Prior to each advance Valley First will require an inspection of the property and a lien search. Before the first advance, title insurance must be obtained. An Occupancy Permit and written inspection from the appraiser verifying substantial completion is required before the final advance.

Inspections
Progress inspections by the appraiser and advances may be made at the completion of the following stages:
1. Lock-up stage: foundation, framing, windows, doors, roofing, etc. (approximately 40% of mortgage funds) - lien search required
2. Drywall, insulation, wiring and plumbing (approximately 30% of mortgage funds) - lien search required
3. Finishing: exterior and interior finishing (approximately 20% of mortgage funds) - lien search and occupancy permit required
4. An initial advance to assist in purchasing the land may be requested
5. Additional advances may be requested subject to an appraiser's inspection to maintain sufficient cost to complete.

Completion -
Upon satisfactory completion the interest rate will be modified on the date the following requirements have been met:
1. All Terms and conditions of the draw mortgage have been met
2. Members are in Occupancy and a copy of the *occupancy permit is on file
3. Homeowners insurance is in place (first loss payee - First West Credit Union)
4. Tax receipt - all property taxes have been paid up to date
4. Title - title to the property is free and clear of all financial charges except for the Valley First mortgage.

This document forms part of the Mortgage Approval Commitment.

I have read, understand and agree to all of the above

____________________ ____________________
Signature Signature

____
Date

* If an Occupancy Permit is not available, a Municipal/Regional District final inspection notice with on outstanding conditions will suffice

☐ Salary income to be confirmed via:

An employment letter on company letterhead which must include employee's name and wage plus most recent CRA NOA

OR

A current pay stub which must include the employer's and employee's names, with year to date income to justify consistency in hours plus most recent CRA NOA

☐ Receipt of name and email address of notary or solicitor along with name of firm from Valley First approved list to prepare Credit Master documents.

* * Should the client choose to use a solicitor not on our approved list, we will require our internal solicitor to prepare the Form B for the mortgage. There will be a $100 fee to the client for this service, which will be deducted from the mortgage proceeds. Broker to provide Solicitor/ Notary name, firm name, address, email address, phone number, and fax number.

☐ Please confirm tenancy of the mortgagors: - Joint Tenants or Tenants in Common.

☐ Solicitor is required to obtain Title Insurance.

	Date:	Initials:

INITIAL

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PAYMENT FLEXIBILITY OPTIONS

☐ MORTGAGE PRE-PAYMENT CLAUSE FOR CLOSED TERMS:

* *The member may repay up to 20% of the original Principal Amount in aggregate during each 12-month period (from date of advance or date of last renewal) when not in default, without prior notice and without payment of any compensation. If the member fail to exercise this privilege in any year, it will lapse and the member may not make it up in any subsequent years;

AND

* * The member may increase regular monthly payments by an amount up to and including 20% of the scheduled payment amount, once per calendar year excluding year of disbursement"

INSTRUCTIONS

☐ Approved for residential first mortgage financing in the amount of $ 362,250.00 with a 5 year fixed rate closed term at 3.29% and monthly payments of $ 1,811.14 based on a 25 year amortization.

** Interest only during construction

** Draws to be advanced on a cost to complete basis at a max 75% loan to Value with the final 5% upon completion

☐ Investor/Lender Conflict of Interest Disclosure Statement Form 11- Broker is required to provide completed and signed copy to Valley First ONLY if there is a conflict of interest.

☐ Broker to provide Valley First with full legal name(s) of mortgagor(s) as it/they will appear on the mortgage documents (please print full legal name including all middle names):

First Applicant ______________________

Second Applicant______________________

(please print)

☐ Property taxes are not collected by Valley First and are the responsibility of the homeowners. The applicants may open a separate account at the branch for property taxes

☐ Lender's conditions, commitment and schedules signed, dated and returned to Mortgage Broker's office a minimum of 10 BUSINESS days prior to completion.

***IT IS IMPORTANT THAT ALL CONDITIONS BE SENT TO OUR GENERAL EMAIL BOX AT

mortgagecentre@valleyfirst.com

☐ Broker to advise us as to which Valley First Branch the applicants would like to deal with.

____

If not indicated we will send it to the Branch closest to the subject property.

ADMINISTRATION & SERVICE FEES

☐ A non-refundable Draw Mortgage fee of $500.00 will be deducted from the mortgage proceeds.

There will be a Valley First processing charge of $100 for each advance. In addition to this charge the member is responsible for paying any appraisal and inspection fees charged by the appraiser. A title search will be performed by Valley First prior to each advance.

____

Initials Required

	Date:	Initials: INITIAL

FirmName:	Origination Mortgage Corp.	**Lender Name:**	Valley First a division of First West CU
Attention:	Steve Nicholson	**Lender Reference #:**	
Application Reference #:	OMGC-289	**Mortgage Insurance Reference #:**	

ADMINISTRATION & SERVICE FEES

☐ Subject to satisfactory title search on subject property. Valley First will obtain and review a copy of the title.

There will be a $25.00 fee for this service which will be debited from the proceeds.

Initials Initials

	Date:	Initials: INITIAL

FIXED CREDIT
DISCLOSURE STATEMENT

Pursuant to the *Mortgage Brokers Act* and
The *Business Practices and Consumer Protection Act*

Lender: Valley First Credit Union

The Borrower may use the following phone number to obtain information about the Mortgagor's account during the Lender's ordinary business hours: (250) 212-2010

Broker: Steve Nicholson, Origination Mortgage Corp.

Borrower: Ronny Heist, Veronica Smith

Property: 7420 Sunpeaks Drive Vernon, British Columbia V1V 4C6

Effective Date of Disclosure Statement: May 6, 2014

Mortgage Terms and Details

1 The interest rate on the mortgage is: Fixed

2 The initial annual interest rate is: 3.290 %

and the compounding period is: Semi Annually

3 Total mortgage amount: $ 370,944.00

4 The total interest paid: $ 56,533.96

5 The Total Cost of Credit (Calculation details are in 'Cost of Credit Details' section): $ 56,533.96

6 (1) If the mortgage amount advanced is to be repaid in accordance with a specific schedule of payments:

(a) To be advanced as follows: as per mortgage commitment

(b) The term of the mortgage is: 5 years

(c) The amortization period is: 25 years

(d) The maturity date is: April 18, 2019

(e) Payments in the amount of $ 1,811.14 are to be made by the Borrower as follows: Monthly (timing) commencing May 18, 2014 for a term of 5 years

(f) Prepayments can be made under the following conditions:
as per mortgage commitment

OR

(2) If the amount advanced is not to be repaid in accordance with a specific schedule of payments, outstanding balance (or portion thereof) must be paid out under the following circumstances:
as per mortgage commitment
(Alternatively, reference the specific provisions of the credit agreement that describes those circumstances.)

Interest

7 The date on which interest begins to accrue is: April 18, 2014

AND if a grace period is given, the details are: as per mortgage commitment

8 Interest for each payment period is calculated against the balance owing. Unpaid interest will be compounded under the following circumstances:
as per mortgage commitment

9 Where the annual interest rate may change, the method of determining the annual interest is:
as per mortgage commitment

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Cost of Credit Details

10 Total Mortgage Amount: $ 370,944.00

11 Fees, Charges and Payments deducted from mortgage amount from Lender

(a) Lender fee: $

(b) Broker Fee if deducted by lender: $

(c) Estimated Inspection/Appraisal costs: $

(d) Estimated Survey costs: $

(e) Loan pay outs: $

(f) Other charges, fees and payments:

(i) ______ $

(ii) ______ $

(iii) ______ $

(g) Default Insurance (CMHC/Genworth/Other): $ 8,694.00

Total deducted from mortgage amount: $ 8,694.00

Total amount from lender: $ 362,250.00

12 Value Received by the borrower for proceeding with the transaction

(a) Total from Lender less deductions: $ 362,250.00

(b) Estimated appraisal if borrower has unrestricted use at or prior to completion: $

(c) Estimated survey if borrower has unrestricted use at or prior to completion: $

(d) Estimated loan pay outs: $

(e) Cashback received from lender: $

(f) Default Insurance (CMHC/Genworth/Other): $ 8,694.00

(g) Other Value Received:

(i) ______ $

(ii) ______ $

(iii) ______ $

Total Value Received by the borrower: $ 370,944.00

13 Value Given by the borrower for proceeding with the transaction

(a) Commencing May 18, 2014, 60 Monthly payments of $ 1,811.14 will be paid by the borrower.

Total Payments: $ 108,668.40

(b) Remaining mortgage balance on maturity date: $ 318,809.56

(c) Other Value Given by Borrower at or prior to completion

(i) Legal fees where choice of legal firm is restricted: $

(ii) Title Insurance: $

(iii) ______ $

(iv) ______ $

(v) ______ $

Total Value Given by the borrower: $ 427,477.96

14 Cost of Credit (Value Given Less Value Received): $ 56,533.96

15 The Annual Percentage Rate[1] (APR) is: 3.290 %

The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.

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16 Payments not included in the cost of credit

Payments contained in the transaction the borrower derives a direct and unrestricted benefit from:

(a) Estimated legal fees if freely chosen by borrower: $ ______

(b) Estimated appraisal if borrower has unrestricted use at or prior to completion: $ ______

(c) Estimated survey if borrower has unrestricted use at or prior to completion: $ ______

(d) Land Title Registration Fees: $ ______

(e) Other Payments not included in the cost of credit:

(i) ______ $ ______

(ii) ______ $ ______

(iii) ______ $ ______

Total Payments not included in the cost of credit: $ 0.00

Security

17 In addition to the Mortgage, the following security was granted for Credit:

(a) ______

(b) ______

(c) ______

Other Charges:

18 Other Charges possibly applicable to borrower

(a) Default Charges: ______

(b) Discharge Fee: ______

(c) NSF: ______

(d) Other Charges:

(i) ______ ______

(ii) ______ ______

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Certification and Acknowledgement

I, Steve Nicholson of Origination Mortgage Corp., 2061 Abbott Street Kelowna, British Columbia, V1Y1C5
the Lender / Broker in this Mortgage, have fully completed the above statement.

Signature of Lender or Broker

I, ______________________ of ______________________
(Name) (Address)

the Borrower in this Mortgage, acknowledge receipt of the above Disclosure Statement which I received on the
________ day of ______________ year ______________

Signature of Borrower

Notes:

1. The Annual Percentage Rate is calculated using the formula:
APR = Annualized Cost of Credit / Average Principal
= Cost of Credit / (Mortgage Term x Average Principal) where the Mortgage Term is expressed in years

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Registrar of Mortgage Brokers
1200² 13450 102nd Avenue
Surrey, BC V3T 5X3

BORROWER CONFLICT OF INTEREST DISCLOSURE STATEMENT
FORM 10 - Section 17.3

This information statement has not been filed with the Registrar of Mortgage Brokers. There has been no determination made by the Registrar as to whether the disclosed information complies with the *Mortgage Brokers Act*.

Please write or print clearly. If additional information is required, reference and attach a schedule to this form.

Ronny Heist, Veronica Smith
Name of Borrower(s):

Valley First Credit Union
Name of Lender:

Origination Mortgage Corp.	(250) 212-2010
Name of Mortgage Broker:	*Telephone:*
Steve Nicholson	Apr 18, 2014
Name of Submortgage Broker:	*Date of transaction:*

7420 Sunpeaks Drive Vernon, British Columbia V1V 4C6
Civic address of property to be mortgaged:

Detached
Legal description of property to be mortgaged:

Other Parties to the Transaction Represented by the Mortgage Broker

The Mortgage Broker represents the following parties to the transaction:

- [X] The borrower(s): Ronny Heist & Veronica Smith
- [X] The lender: Valley First Credit Union
- [ ] Syndicate mortgage lenders: *Name* ________ *Name* ________ *Name* ________
  (attach list if more space required)
- [X] A person or entity which will acquire the mortgage from the investor/lender: Ronny Heist & Veronica Smith
  Name
- [ ] Other - please describe: ________

NOTE:
If the Mortgage Broker has NOT indicated that it represents you, the Mortgage Broker must still exercise a duty of care to you and deal with you fairly. It is recommended that you obtain independent advice with respect to the transaction.

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Mortgage Broker's Interest in the Transaction

[X] The Mortgage Broker and/or its associates or related parties **will not** acquire a direct or indirect interest in the transaction described above.

[ ] The Mortgage Broker and/or its associates or related parties **will** acquire a direct or indirect interest in the transaction described above. In particular,____________________,
(State the Name of Party)

who is ____ will:
(State Relationship with Mortgage Broker)

- [ ] be the lender in the transaction;
- [ ] be a syndicate mortgage lender with the lender/investors;
- [ ] acquire the mortgage from the lender or investor; or
- [ ] ________________________________
(Identify nature of interest)

Are there Other Mortgage Brokers acting in this Transaction?

(X) No

( ) Yes ________________________________
(State Name, Relationship to Mortgage Broker and/or Borrowers and role in transaction)

____

Compensation to the Mortgage Broker

The Mortgage Broker will be compensated for this mortgage transaction in the following ways:

- [X] Commission/income or fee paid by the lender
- [ ] Commission/income or fee paid by another mortgage broker
- [ ] ________________________________
(Other - please specify)

The Mortgage Broker may (or will) also receive additional compensation (either monetary or non-monetary) from the lender which includes:

- [X] Additional commission/income based on its or another mortgage broker's volume of business or funding efficiency with the lender
- [ ] Additional commission/income because the Borrower is paying a higher interest rate than would otherwise be available to the Borrower from the lender in the transaction
- [X] Points, Rewards and other incentives
(Other- please describe)

Referrals to the Mortgage Broker

The Mortgage Broker, its associates or related parties have paid or will pay a fee in the amount of $ 0 to NA for receiving a referral or
(Name)
recommendation relating to the transaction.

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Please state any other facts which may result in a conflict of interest with the borrower:

CERTIFICATION

I certify that I am the mortgage broker or an authorized representative of the mortgage broker and based on my knowledge, belief and information provided by third parties, this Disclosure Statement contains no untrue statement and does not omit to state a fact that is required to be stated or that Is necessary to prevent a statement that is made from being false or misleading in circumstances in which it was made.

Origination Mortgage Corp.	2061 Abbott Street Kelowna, British Columbia, V1Y1C5
Full name of Mortgage Broker	*Address (Including Postal Code)*
	2014,05,06
Signature of Mortgage Broker or Authorized Representative	*Date Signed (YYYY,MM,DD)*

ACKNOWLEDGEMENT OF RECEIPT

		2014,05,06
Signature	*Name (Please Print)*	*Date Signed (YYYY,MM,DD)*
		2014,05,06
Signature	*Name (Please Print)*	*Date Signed (YYYY,MM,DD)*

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