

BUSINESS PURPOSE & OCCUPANCY AFFIDAVIT (the “Affidavit”)

LOAN NUMBER: _____ (the “Loan”)

BORROWER(S): _____ and/or _____

PROPERTY ADDRESS: _____ (the “Property”)

I, the undersigned borrower(s), hereby declare that the following is true and correct:

- 1. I have applied for this Loan and am seeking financing for the Property for business purposes only.** I do not intend to use the proceeds of the Loan for personal, family, or household purposes.
- 2. The proceeds of the loan will be used to purchase, improve, or maintain the Property, and I intend to operate the Property as one or more rental units for profit.** If I have not executed a lease with a tenant (or tenants) at or before closing of the Loan, I intend to, and will, use commercially reasonable methods and effort to obtain a tenant (or tenants) for the Property following closing of the Loan.
- 3. Neither I nor any family member intend or expect to occupy the Property at any time. I will not, under any circumstances, occupy the Property at any time while the Loan remains outstanding.** In addition, I will not claim the Property as my primary or secondary residence for any purposes for the duration of my Loan. I now reside, and for the duration of my Loan will continue to reside, elsewhere.
- 4. I understand that Lender originating the Loan in reliance upon this Affidavit.** If this Affidavit is not true and correct, and in consideration of Lender making the Loan, I agree to indemnify Lender and its agents, affiliates, subsidiaries, parent companies, successors and assigns and hold them harmless from and against any and all loss, damage, liability or expense, including costs and reasonable attorneys’ fees, which they may incur as a result of or in connection with my misrepresentation. I further understand that any misrepresentation in this Affidavit will constitute an Event of Default under my Loan Documents, and may result in the immediate acceleration of my debt and the institution of foreclosure proceedings, eviction, and any other remedies allowable by law.
- 5. I understand that the agreements and covenants contained herein shall survive the closing of the Loan.**
- 6. I understand that, based on the contents of this Affidavit, the Loan is a business-purpose loan secured by non-owner-occupied real property.** I understand that this means that the Loan may not be subject to the requirements of certain federal and state consumer protection, mortgage lending, or other laws, including but not limited to the provisions of the federal Truth-in-Lending Act (15 U.S.C. §§ 1601 *et seq.*) and its implementing Regulation Z (12 C.F.R. Part 1026), and that my ability to avail myself of protections offered under federal and state laws for consumer-purpose residential mortgage loans may be limited.
- 7. I understand that any false statements, misrepresentations, or material omissions I make in this Affidavit may result in civil and criminal penalties.**

Initial(s)	
_____	The Property is not currently, and will not in the future be, occupied by the undersigned, any member of the LLC, or any family member thereof.

IN WITNESS WHEREOF, the Borrower(s)/ Borrowing Entity Members have signed and sealed this Business Purpose and Occupancy Affidavit

_____ Date _____ _____ Date _____

STATE OF _____

COUNTY OF _____

I, the undersigned, a Notary Public in and for the county and state aforesaid, do hereby certify that GUARANTOR(S), personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein and set forth.

Given under my hand and notarial seal this _____ day of _____

Notary Public