

Business Purpose & Occupancy Affidavit

Loan Number: _____

Borrower(s) Name: _____

Borrower(s) Name: _____

Subject Property Address: _____

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

1. I have applied for the above-referenced loan (“Loan”) and am seeking financing for the above-referenced property (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 unit(s) 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 the closing of the Loan.
3. Neither I nor any family member intend(s) or expect(s) to occupy the Property at any time. Under no circumstances will I or member(s) of my family occupy the Property at any time while the Loan remains outstanding. I now reside, and for the duration of my Loan will continue to reside in a separate property. In addition, I will not claim the Property as my primary or secondary residence for any purpose for the duration of my Loan.
4. No member (“Member”) of the limited liability company (the “LLC”) vested with, or to be vested with, title to the Property will occupy the Property at any time while the Loan remains outstanding. Similarly, no family member of a Member of the LLC will occupy the Property at any time while the Loan remains outstanding.
5. I understand that the Mortgage Broker/Lender is originating the loan related to the Property in reliance upon this Affidavit. In consideration of Mortgage Broker/Lender making the Loan, if this Affidavit is not true and correct, I agree to indemnify Mortgage Broker/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.
6. I understand that the agreements and covenants contained herein shall survive the closing of the Loan.
7. 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 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.
8. I understand that any false statements, misrepresentations, or material omissions I make in this Affidavit may result in civil and criminal penalties.

Initials

The property is not and will not be occupied by: (1) me; (2) my family members; (3) any other individual who is a Member of the LLC; or (4) any other Member’s family members.



Borrower / Borrowing Entity Member

Date

Notary Public Acknowledgement

STATE OF: _____)
COUNTY OF: _____) SS.:
_____)

On the _____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Signature

Official Seal:

Notary Printed Name
Notary Public; State of _____
Qualified in the County of _____
My Commission expires: _____