

**INSTRUCTIONS FOR
NO DEFAULT POLICY DISCLOSURE
UNDER GAFLA**

Applicability of Disclosure:

This disclosure must be given in connection with a loan: (a) for which the principal amount of the loan does not exceed the conforming loan size limit for a single-family dwelling as established by Fannie Mae; (b) which is secured by real property located in Georgia upon which there is or will be located a structure(s), including manufactured housing, designed principally for occupancy of from one-to-four families; (c) which will be occupied by a borrower as the borrower's principal dwelling; and (d) which is for a consumer purpose. This disclosure is not required for: (1) a reverse mortgage; (2) a loan that provides temporary financing for the acquisition of land by the borrower and initial construction of a borrower's dwelling thereon or on the initial construction of a borrower's dwelling on land owned by the borrower; (3) a bridge loan made to a borrower pending the sale of the borrower's principal dwelling or a temporary loan made to a borrower and secured by the borrower's principal dwelling pending the borrower obtaining permanent financing for such dwelling; (4) "tax advantage loans;"¹ or (5) "cross-collateralized loans."²

Recipients of Disclosure:

The Broker must give this disclosure to all applicants and joint applicants for a mortgage loan transaction as described above. An employee of the Broker must witness that the applicant(s) received and acknowledged this disclosure.

Timing of Disclosure:

This disclosure must be given to the applicant(s), signed and dated before final loan approval.

Retention of Disclosure:

The original disclosure must be retained in the borrower's loan file for 62 months after closing.

¹ A "tax advantage loan" is a loan secured by person property including, but not limited to, a motor vehicle, motor home, boat, or watercraft and also secured by the borrower's principal dwelling to provide the borrower with potential income tax advantages when such personal property is the primary collateral for such loan.

² "Cross-collateralized loans" new loan secured by the borrower's principal dwelling as a result of a lien taken in connection with a debt previously contracted or incurred when the loan documents for such new loan do not include a mortgage, security deed, or deed to secure debt expressly securing such new loan.

