

# Local Loan Company - New Account Application

When completed:

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If you have questions call: 503-646-5626

**A. Purpose**                    \_\_\_ Open New Account \_\_\_ Update Existing Account Information

## **B. Account Information**

Name \_\_\_\_\_ SSN/Tax ID# \_\_\_\_\_ Birth Date \_\_\_\_\_

Name \_\_\_\_\_ SSN/Tax ID# \_\_\_\_\_ Birth Date \_\_\_\_\_

Address \_\_\_\_\_ Home Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

\_\_\_\_\_ Business Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

\_\_\_\_\_ Cell Phone \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Email \_\_\_\_\_

Account Type \_\_\_ Individual \_\_\_ JTW/RS \_\_\_ IRA \_\_\_ Custodian for minor Other \_\_\_\_\_

Self:

Name of Employer \_\_\_\_\_

Years employed \_\_\_\_\_ Position \_\_\_\_\_ Type of Business \_\_\_\_\_

Employer Address \_\_\_\_\_

Spouse:

Name of Employer \_\_\_\_\_

Years employed \_\_\_\_\_ Position \_\_\_\_\_ Type of Business \_\_\_\_\_

Employer Address \_\_\_\_\_

## **C. Suitability Information**

We must determine that each mortgage paper securities investment is suitable for you. Your accurate, complete responses to the information requested below will help us meet this obligation and provide you better service.

### Gross Income (includes Spouse)

\_\_\_ \$0 - \$49,999 \_\_\_ \$50,000 - \$99,999 \_\_\_ \$100,000 - \$199,999 \_\_\_ \$200,000 - \$299,999 \_\_\_ \$300,000+

### Net Worth (exclude home, furnishings, autos)

\_\_\_ \$0 - \$74,999 \_\_\_ \$75,000 - \$149,000 \_\_\_ \$150,000 - \$299,999 \_\_\_ \$300,000 - \$499,999

\_\_\_ \$500,000 - \$999,999 \_\_\_ over \$1,000,000

### Investment Objectives

\_\_\_ Liquidity \_\_\_ Deferral of taxes \_\_\_ Regular income with safety \_\_\_ Regular income with some risk

Long-term growth - safety important  Long-term growth - will accept some risk to meet investment objective

Speculative capital gains - a greater degree of risk may be tolerated

Significant Anticipated Changes

None  Retirement  Divorce, separation  Medical expenses  Education expenses

Sale of major asset Other \_\_\_\_\_

Current Income Requirements

High current income is important

Moderate Current income is required

Current income is not important. Focus on "total return" on my holdings.

Investment Horizon - (*when invested funds needed*)

Short-term (1 - 4 years)  Intermediate (4 - 9 years)  Long-term (10 + years)

Business and Investment Experience - *indicate if you have considerable knowledge or experience in:*

Investing in deeds of trust or other mortgage paper

Real estate appraising

Ownership or operation of real estate investments

Mortgage Lending

Management of any business entity

Practice of real estate or mortgage law

Public accounting for mortgage lenders

Other \_\_\_\_\_

Years of Investment Experience

Less than 1  1-2  2-5  5-10  10-20  20+

Tax Bracket

Federal:

Alternative Minimum:

Types of Property Most Comfortable Investing In

Residential  Commercial, income-producing  Unimproved

Types of Borrowers Most Comfortable Lending To

- \_\_\_ Good credit scores are important.
- \_\_\_ Moderate credit scores are required.
- \_\_\_ High borrower net worth is important.
- \_\_\_ Moderate borrower net worth is required.
- \_\_\_ Credit score and net worth not important - focus on property value.

**Tolerance for Default**

(indicate your tolerance for not receiving the monthly payments on your investment in the event of default)

- \_\_\_ Low - I rely on monthly payments, do not seek to own property, and wish to avoid contributing additional funds to sell a property.
- \_\_\_ Medium - I can tolerate 1-2 years of non-payment on some loans and am willing to contribute additional funds if needed to sell properties.
- \_\_\_ High - I can tolerate several years of non-payment on several properties and am willing to contribute additional funds if needed to sell properties.

**D. Residency**

**FOR INDIVIDUALS:**

1. What is your principal state of residence? \_\_\_\_\_
2. Is your driver's license issued by the state of your principal residence? \_\_\_\_\_
3. In what state are you registered to vote? \_\_\_ \_\_\_

**FOR BUSINESS ORGANIZATIONS:**

1. Was the business formed in the past year? \_\_\_\_\_
2. Does the business have significant activities other than investing in these securities? \_\_\_\_\_
3. In which states are the principal residences of all beneficial owners of the business? \_\_\_\_\_

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(add on a separate sheet if necessary)

**E. Notice of Investment Risks**

Investing in mortgage paper securities involves a high degree of risk. These risks include:

\* No trading market exists for these securities and none is anticipated to develop. Investors should be prepared to hold their investments for an indefinite period of time.

\* Many borrowers will default on their obligations to repay their loans. In this situation, investors will not receive the periodic repayments and may need to foreclose upon and resell the property to recover investment funds. Owning the property may expose investors to risks and reselling the property may require investors to contribute additional funds to make the property saleable or maximize resale value.

**THERE ARE OTHER RISKS. INVESTORS SHOULD BE CAREFULLY CONSIDER ALL OF THE RISKS SET FORTH IN THE OFFERING MATERIALS AND ONLY INVEST IF FINANCIALLY CAPABLE OF ASSUMING THESE RISKS.**

**F. Signature**

I understand that the company will rely on the accuracy and completeness of my responses to the questions above, and my answers are complete and correct to the best of my knowledge and belief. I will notify the Company of any material changes prior to any purchase of mortgage paper securities.

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**Signature** and Date signed

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Spouse Signature (if applicable) and Date signed

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For Business Entity Name (if applicable) and Date signed

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Print Signatory Name, Title (if applicable)

(for internal use only below this line)

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Salesperson Information

Salesperson \_\_\_\_\_ Date Reviewed with Customer \_\_\_\_\_

Supervisor \_\_\_\_\_ Supervisor Initial/date \_\_\_\_\_

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