

Affiliated Business Arrangement Disclosure Statement

Thank you for selecting Prudential Realty to assist in the purchase or sale of your home or other property. We know that you have a choice in selecting real estate professionals to guide you and we appreciate that you chose to work with us.

The controlling principals of Prudential California Realty have ownership interests in affiliated providers of escrow, mortgage, title and insurance services. We at Prudential California Realty believe our affiliates provide superior service, value and convenience. In this brochure we inform you of the services our affiliates provide, an estimated range of their usual charges, and that it may be in the financial interest of the principals of Prudential California Realty to refer business to our affiliates.

IMPORTANT INFORMATION ABOUT:



An independently owned and operated member of The Prudential Real Estate Affiliates, Inc.

Pickford Escrow Company and The Escrow Firm provides professional escrow services for a wide variety of purchase, sale, financing and other transactions. The controlling principals of Prudential California Realty own 100% of an entity which owns 100% of Pickford Escrow and The Escrow Firm.

The Escrow Division of Pickford Real Estate, Inc. also provides professional escrow services, but only for purchases and sales in which Prudential California Realty is a real estate broker. The controlling principals of Prudential California Realty own 100% of Pickford Real Estate, Inc.



California Title Company is a title company providing title insurance and title-related services. The controlling principals of Prudential California Realty own 100% of an entity which owns 37.5% of California Title Co.

HomeServices Lending LLC provides mortgage lending services. The controlling principals of Prudential Realty own approximately 50% of Home Services Lending LLC.

Prudential Real Estate Affiliates, Inc. are wholly owned direct or indirect subsidiaries of the Prudential Insurance Company of America. Prudential California Realty is a franchise holder of Prudential Real Estate Affiliates.



HomeServices Insurance Agency provides property and casualty, life and health insurance. The controlling principals of Prudential California Realty own 100% of HomeServices Insurance Agency.

Prudential California Realty will not be paid any referral fees or other compensation for referring business to our affiliates. The individual real estate agent with whom you are working is neither rewarded if you use our affiliated providers nor penalized if you choose to use other providers. Nevertheless, because of the ownership interests the principals of Prudential California Realty have in our affiliates, such referrals may provide them with indirect financial or other benefits. Of course, you are under no obligation to use our affiliates for the services they offer. You may be able to obtain the services at lower rates by shopping with other providers, but we believe that our affiliates' charges are reasonable and competitive with amounts charged by others for the same services.

With competitive, reasonable rates, coupled with the smooth and efficient manner in which your transaction will be handled, the affiliates of Prudential California Realty are in a unique position to provide you with exceptional value and service in handling your transaction. Thank you for this opportunity to inform you of our affiliated providers of closing services. We appreciate your taking the time to read this brochure.



See reverse side for estimate or range of charges generally made.

ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURE

I/We have received the Controlled Business Arrangement Disclosure Statement of *Prudential California Realty* and understand that they may refer me/us to the closing service providers named in the Disclosure Statement, and that the principals of *Prudential California Realty* may receive a financial or other benefit as a result of the referral.

Seller Signature Date

Buyer Signature Date

Seller Signature Date

Buyer Signature Date

The estimated charges for settlement services are listed below. You are NOT required to use the listed provider(s) as a condition for purchase of the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Entity	HUD-1 Description/Line Designation	Estimate or Range of Charges Generally Made
<u>Prudential California Realty, Prudential California Realty</u>		
A franchisee of Prudential Real Estate Affiliates, Inc. ⁽¹⁾ providing real estate brokerage services for buyers and sellers in the purchase and sale of homes and lots.	Sales/Broker's Commissions (700 Series)	Typically, the seller pays a real estate commission of 6% of the sales price, unless otherwise agreed.
<u>HomeServices Lending</u>		
Loan brokerage and origination and mortgage banking services to ensure you select the right home loan to fit your needs and budget. In addition, a lender is also allowed to select an attorney, credit reporting agency or real estate appraiser to represent its interest. Generally, the lender is allowed to require you, as the borrower, to pay the costs of those services.	Loan Origination Fee (801) Discount Points (802) Processing Fee (808-811) Underwriting Fee (if applicable) Tax Service Fee	0-1.5% of a loan amount 0-1.5% of a loan amount ⁽²⁾ \$0-\$695 \$0-\$800 \$65-\$125
<u>California Title Company</u>		
Based on a search of public records, this service brings to your attention problems with the property's title which are discovered during the search, and depending on the scope of coverage purchased, provides insurance against losses resulting from title problems not discovered during the search.	Title insurance premiums for owner's or lender's coverage (Lines 1108-1110)	Title insurance premiums for an owner's policy typically range between \$2.80 to \$4.00 for each \$1,000.00 of the price of the property, depending on the total price of the property. "Extended" coverage, binders and endorsements are available at additional premiums. The seller typically pays for owners' title insurance, and the buyer typically pays for the lenders' policy and/or endorsements. Title insurance premiums for a lender's policy typically range from \$.90 to \$1.50 for each \$1,000.00 of the amount of the loan, if the policy is issued at the same time as an owner's policy. Endorsements which may be required by the lender are available at additional premiums. The borrower typically pays for all of the lender's title insurance. ⁽³⁾
<u>Pickford Escrow Company/Pickford Real Estate, Inc., Escrow Division/The Escrow Firm, Inc.</u>		
Expert, professional service in all details of transferring your home according to your purchase and sale contract.	Escrow Fees for Purchase and Sale Escrow (Line 1101) Escrow Fees for Loan Escrow (Line 1101) Document Preparation and Processing Fees (Line 1105)	Sale escrow fees are typically calculated with a \$150-\$300 base for both buyer and seller, plus \$1.50-\$2.00 per thousand of sales price. Escrow fees for a loan escrow typically range from \$450 to \$1.00 per \$1,000 of loan amount. The borrower typically pays all loan escrow fees. Document preparation and processing fees typically range from \$50 to \$150.
<u>HomeServices Insurance Agency</u>		
This service provides property and casualty insurance to homeowners through FNT Insurance Services, Fidelity National Insurance Company.	900 Series	Policy premiums range from \$200 to \$2500 depending on the product and associated risk assessments (e.g. age of home, credit score, past claims of the insured, etc.).

(1) Wholly owned direct or indirect subsidiaries of the Prudential Insurance Company of America. (2) Discount points are a function of the note rate: Depending on market conditions, discount points may be higher to adjust for below-market interest rates. (3) Actual charges may vary according to the particular circumstances underlying the transaction including the home value coverage and limits chosen as well as other requested terms, unusual market conditions, government regulation, property location, and other similar factors. Rates may not be the lowest available and are subject to change. For a free, no obligation quote, please contact the company directly. Current rates for title insurance are filed with the California Department of Insurance and depending upon certain unique circumstances, may vary significantly from the rates set out above.