27. As a GI home loan borrower you will be legally obligated to make the mortgage payments called for by your mortgage loan contract. The fact that you dispose of your property after the loan has been made will NOT RELIEVE YOU OF LIABILITY FOR MAKING THESE PAYMENTS.

Some GI home buyers have the misconception that if they sell their homes when they move to another locality, or dispose of it for any other reason, they are no longer liable for the mortgage payments and that liability for those payments is solely that of the new owners. Even though the new owner may agree in writing to assume liability for your mortgage obligations, this assumption agreement will not relieve you from liability to the holder of the note which you signed when you obtained the loan to buy the property. Also, unless you are able to sell the property to a credit-worthily buyer who is acceptable to the VA, and who will assume the payment of your obligation to the lender and the Department of Veterans Affairs, you will not be relieved from liability to repay any guaranty claim which the VA may be required to pay your lender on account of default in your loan payments.

THE AMOUNT OF ANY SUCH CLAIM FOR PAYMENT WILL BE A DEBT OWED YOU TO THE FEDERAL GOVERNMENT, this debt will be the object of established administrative procedures. Payment of the loan in full ordinarily is the way in which continuing liability on a mortgage note is lifted. Therefore, if you expect to move from the area in which you are now considering the purchase of a home and should you be unable to sell each home with the purchaser obtaining new financing to pay off your loan, you should understand that you may continue to be liable to the holder of your mortgage and to the Department of Veterans Affairs.

THE UNDERSIGNED VETERAN, CERTIFY THAT:

a. I have read and understand the foregoing concerning the liability on the loan.

b. Occupancy

(4) Yes, I now actually occupy the above described property as my home or intend to move into and occupy said property as my home within a reasonable period of time or intend to resubmit it after the completion of major alterations, repairs or improvements.

(2) My spouse is an active military duty and in his or her absence, I occupy or intend to occupy the property securing this loan as my home.

(5) The veteran is on active military duty and in his or her absence, I certify that a dependent child of the veteran occupies or will occupy the property securing this loan as their home. (NOTE: This requires that the veteran’s status be or be legal guardian of the dependent child (see line 15))

(4) I previously occupied the property securing this loan as my home. (For interest rate reduction loans.)

(5) While my spouse was on active military duty and unable to occupy the property securing this loan, I previously occupied the property that is securing this loan as my home. (For interest rate reduction loans.)

(6) While my spouse was on active military duty and unable to occupy the property securing this loan, the property was occupied by the veteran’s dependent child as his or her home. (NOTE: This requires that the veteran’s status be or be legal guardian of the dependent child (see line 15)).

NOTE: If Item (4) or (5) is checked the veteran’s spouse must also sign Item 32 below.

c. I have been informed that I am the reasonable value of the property as determined by VA.

IF THE CONTRACT PRICE OR COST EXCEEDS THE VA REASONABLE VALUE, COMPLETE EITHER ITEM D OR E.

d. I was aware of this valuation when I signed my contract and I have paid or will pay in cash from my own resources or at prior to loan closing a sum equal to the difference between the contract purchase price or cost and the VA reasonable value. I do not and will not have outstanding loan closing any unprocured contractual obligation on account of such cash payment.

e. I was not aware of this valuation when I signed my contract but have elected to complete the transaction at the contract purchase price or cost. I have paid or will pay in cash from my own resources or at prior to loan closing a sum equal to the difference between the contract purchase price or cost and the VA reasonable value. I do not and will not have outstanding loan closing any unprocured contractual obligation on account of such cash payment.

f. Neither I, nor anyone authorized to act for me, will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the dwellings of property covered by this loan to any person because of race, color, religion, sex or national origin. I recognize that the making of a dwelling available to individuals of any race, color, religion, sex, or national origin, is a violation of federal law and that penalties for the prevention relief may be brought by the Attorney General of the United States in any appropriate U.S. District Court against any person responsible for the violation of the applicable law.

I AM AWARE THAT VA DOES NOT WARRANT THE CONDITION OR VALUE OF THE PROPERTY.

IF CERTIFICATE OF ELIGIBILITY REQUIRES CERTIFICATION OF ACTIVE DUTY STATUS FOLLOWING CERTIFICATION MUST BE CHECKED

I certify that I have not been discharged or released from active duty since the date my Certificate of Eligibility was issued.