



AFFIDAVIT OF “ARM’S LENGTH TRANSACTION”

Pursuant to a residential purchase agreement (the “Agreement”), the parties identified below as the “Seller(s)” and the “Buyer(s)”, respectively, are involved in a real estate transaction whereby the real property commonly known as _____ (the “Property”) will be sold by the Seller(s) to the Buyer(s).

TCF National Bank (the “Lender”) holds a mortgage against the Property. In order to complete the sale of the Property, the Seller(s) and Buyer(s) have jointly asked the Lender to release the mortgage in order to facilitate the sale. The Lender, in consideration of the representations made below by the Seller(s), the Buyer(s), and their respective agents, agrees to accept the amount of \$_____ to release its mortgage (pursuant to a separate agreement between the Lender and the Seller[s]) on the express condition that the Seller(s), the Buyer(s), and their respective agents (including, without limitation, real estate agents, escrow agents, and title agents) each truthfully represents, affirms and states as follows:

- 1) The purchase and sale transaction reflected in the Agreement is an “Arm’s Length Transaction”, meaning that the transaction has been negotiated by unrelated parties, each of whom is acting in his or her own self-interest, and that the sale price is based on fair market value of the Property. With respect to those persons signing this Affidavit as an agent for either the Seller(s), the Buyer(s), or both, those agents are acting in the best interests of their respective principal(s).
- 2) No Buyer(s) or agent of the Buyer(s) is a family member or business associate of the Seller(s) or the borrower(s) or the mortgagee(s).
- 3) No Buyer(s) or agent of the Buyer(s) shares a business interest with the Seller(s) or the borrower(s) or the mortgagee(s).
- 4) There are no hidden terms or hidden agreements or special understandings between the Seller(s) and the Buyer(s) or among their respective agents which are not reflected the Agreement or the escrow instructions associated with this transaction.
- 5) There is no agreement, whether oral, written, or implied, between the Seller(s) and the Buyer(s) and/or their respective agents which allows the Seller(s) to remain in the Property as tenants or to regain ownership of the Property at any time after the consummation of this sale transaction.

- 6) The Seller(s) shall not receive any proceeds from the sale of the Property reflected in the Agreement.
- 7) No agent of either the Seller(s) or the Buyer(s) shall receive any proceeds from this transaction except as is reflected in the final estimated closing statement which shall be provided to the Lender for approval prior to the close of escrow.
- 8) Each signatory to this Affidavit expressly acknowledges that the Lender is relying upon representations made herein as consideration for releasing the mortgage encumbering the Property.
- 9) Each signatory to this Affidavit expressly acknowledges that any misrepresentation made by him or her may subject him or her to civil liability.

I/We declare under penalty of perjury under the laws of the State of Minnesota that all statements made in this Affidavit are true and correct.

Additionally, I/we fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly and willfully make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et. seq.

Buyer I

(Print Name)

(Signature)

Seller I

(Print Name)

(Signature)

(Date)

Buyer's Agent

(Print Name)

(Print Company)

(Signature and Date)

Buyer 2

(Print Name)

(Signature)

Seller 2

(Print Name)

(Signature)

(Date)

Seller's Agent

(Print Name)

(Print Company)

(Signature and Date)