



www.rutgersfcu.org

85 DAVIDSON ROAD  
PISCATAWAY NJ 08854

Loan Department  
732-445-0858 / Fax 732-445-0387

### **HOME EQUITY LOANS**

Thank you for inquiring about a Home Equity Loan from Rutgers Federal Credit Union. Once you have reviewed the following information, we are sure you will select Rutgers Federal Credit Union as your source for Home Equity Loans.

A Home Equity Line of Credit (HEL) from Rutgers Federal Credit Union is an open-end line of credit that is secured by a lien on your primary residence, single family home, which must be located in New Jersey. You may borrow up to 80% of the appraised value of your home, minus your first mortgage (a minimum of \$5,000 in home equity is required).

#### **ARE THERE ANY FEES?**

Unlike many banks, Rutgers FCU does not charge any application fees, points, appraisal fees, or processing fees for your Home Equity Loan.

#### **WHAT IS THE INTEREST RATE ON MY HELOC?**

The current interest rate on our HELOC is the Prime Rate as published in the Wall Street Journal. There is a floor rate of 4% and a *maximum* interest rate of 18%.

#### **HOW OFTEN DOES THE INTEREST RATE CHANGE ON MY HELOC?**

The HELOC interest rate can change on the first day of each month, following an increase or a decrease to the Prime Rate.

#### **HOW OFTEN CAN I BORROW ON MY HELOC?**

You cannot receive more than three advances in any month. You may obtain advances of credit only during the first ten years of the loan. The initial minimum advance is \$2,500.00.

#### **HOW LONG DO I HAVE TO REPAY MY HELOC?**

The maximum term is 15 years; however, you can pay off the loan early with no penalty.

#### **HOW DO I ACCESS MY HELOC?**

Stop by one of our offices and request a HEL advance or utilize the checks provided.

#### **HOW LONG DOES IT TAKE TO PROCESS MY APPLICATION?**

Approximately 7 to 21 days from the date of the first application. It is very important that you provide all the information requested so that any delays can be avoided.

#### **WHEN WILL MY FUNDS BE AVAILABLE?**

Your funds can be disbursed to you after a mandatory 3 day right of rescission (required by law). This means you have 3 days to cancel this loan without a penalty. Your funds will be available to you by 10:00 am on the 4<sup>th</sup> business day. *The information presented here is simply an overview of the Home Equity Loan program offered by your Credit Union. Rates and terms are subject to change. Additional information can be found at*

[https://files.consumerfinance.gov/f/201204\\_CFPB\\_ARMs-brochure.pdf](https://files.consumerfinance.gov/f/201204_CFPB_ARMs-brochure.pdf)

[https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb\\_what-you-should-know-about-heloc\\_booklet.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_what-you-should-know-about-heloc_booklet.pdf)

**HOME EQUITY LOAN  
QUESTIONNAIRE AND CHECKLIST**

In order to properly process your Home Equity loan application, please provide us with the following information about you and your home.

**NAME:** \_\_\_\_\_

**ACCOUNT NUMBER:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**CITY/STATE/ZIP:** \_\_\_\_\_

**Names of all parties on Deed:** \_\_\_\_\_

**Date of Deed:** \_\_\_\_\_ **Homeowner's Insurance Co.** \_\_\_\_\_

**Name / address 1st Mortgage holder:**

**Name / address 2nd Mortgage holder:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Adjustable Rate?** \_\_\_\_\_

**Adjustable Rate** \_\_\_\_\_

Acct# \_\_\_\_\_

Acct# \_\_\_\_\_

Approx. Balance \$ \_\_\_\_\_

Approx. Balance \$ \_\_\_\_\_

*\*(Note, 2nd mtg. will be paid off)*

**Marital History:** Date married: \_\_\_ / \_\_\_ / \_\_\_

**Maiden Name:** \_\_\_\_\_

**Any prior marriages?** ( Y / N ) \_\_\_\_\_

If YES, state when, whom, and result: \_\_\_\_\_

**Are all property holders living?** ( Y / N ) If NO, please provide a copy of the death certificate.

Please select the reason for your loan: Refinance Home Improvements Education

Other: (please provide details)

**Please send copies of the following with your application:**

- TITLE POLICY SCHEDULE A (NOT TITLE AFFIDAVIT)**
- DEED**
- CURRENT MORTGAGE (S) (first and second if applicable)**
- HOMEOWNER'S INSURANCE POLICY (declaration page)**
- SIGNED COPY OF IMPORTANT TERMS OF HOME EQUITY LINE OF CREDIT**
- FULLY COMPLETED LOAN APPLICATION AND THIS FORM**
- LAST 2 YEARS OF TAX RETURNS**
- TWO MOST RECENT PAYSTUBS PER BORROWER**

We will process your application as quickly as possible and will notify you as soon as we have reviewed it.

**THANK YOU FOR USING RUTGERS FEDERAL CREDIT UNION**

## **IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT**

This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.

**AVAILABILITY OF TERMS:** All of the terms described below are subject to change.

**SECURITY INTEREST:** We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

**POSSIBLE ACTIONS:** Under certain circumstances, we can (1) terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees; (2) refuse to make additional extensions of credit; and (3) reduce your credit limit. If you ask, we will give you more specific information concerning when we can take these actions.

**PAYMENT INFORMATION:** You can obtain credit advances for 10 years. This period is called the "draw period". At our option, we may renew or extend the draw period. After the draw period ends, the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends. You will be required to make monthly payments during both the draw and repayment periods. At the time of the credit advance, a payoff period of 180 monthly payments will be used to calculate your payment.

The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment will remain the same unless you obtain another credit advance. Your payment may also change if the annual percentage rate increases or decreases. Each time the annual percentage rate changes, we will adjust your payment to repay the balance within the original payoff period. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$25.00, or the full amount you owe.

**MINIMUM PAYMENT EXAMPLE:** If you made only the minimum monthly payments and took no other credit advances, it would take 15 years to payoff a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 10.95%. During that period, you would make 180 payments of \$112.42.

**FEES AND CHARGES:** There is no application or processing fee.

**MINIMUM DRAW AND BALANCE REQUIREMENT:** The minimum initial credit advance you can receive is \$2,500.00, after receiving the initial advance, you may borrow in amounts as small as \$500.00. You cannot receive more than three advances in any month.

**TAX DEDUCTIBILITY:** You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

**VARIABLE RATE INFORMATION:** The loan has a variable rate feature and the ANNUAL PERCENTAGE RATE (corresponding to the periodic rate) and minimum payments can change as a result. The ANNUAL PERCENTAGE RATE includes only interest.

The ANNUAL PERCENTAGE RATE is based upon the value of an index. The index is the highest Prime Lending Rate as set forth in the Money Rates Column of the Wall Street Journal newspaper. To determine the ANNUAL PERCENTAGE RATE that we will apply to your line, we may add a margin to the value of the index.

Ask us for the current index value, margin and ANNUAL PERCENTAGE RATE. After you open a credit line, rate information will be provided on periodic statements that we will send to you.

**RATE CHANGES:** The ANNUAL PERCENTAGE RATE can change on the first day of each month after an increase or a decrease in the Prime Rate. The ANNUAL PERCENTAGE RATE will never be greater than eighteen (18%) percent or lower than 4.00%.

**MAXIMUM RATE AND PAYMENT EXAMPLE:** If you had an outstanding balance of \$10,000.00 during the draw period, the maximum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$161.16. This ANNUAL PERCENTAGE RATE could be reached during the first month of the draw period. If you had an outstanding balance of \$10,000.00 at the beginning of the repayment period, the minimum monthly payment, at the maximum annual percentage rate of 18.00% would be \$180.30. This annual percentage rate could be reached during the first month of the repayment period.

**HISTORICAL EXAMPLE:** The following table shows how the annual percentage rate and the minimum payments for a single \$10,000.00 credit advance would have changed based on the changes in the index over the past 15 years. The index values are from 2003 through 2017. (While only one payment amount per year is shown, payments would have varied during each year.)

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. It does not necessarily indicate how the Index, or your payment will change in the future.

**SAMPLE HISTORICAL INDEX**  
YEARLY AVERAGES

<u>YEAR</u>	<u>INDEX</u>	<u>MARGIN</u>	<u>RATE</u>	<u>PAYMENT</u>
2003	4.00	0	4.00	73.76
2004	5.00	0	5.00	78.80
2005	6.37	0	6.37	86.00
2006	7.87	0	7.87	94.26
2007	7.50	0	7.50	92.18
2008	4.93	0	4.92	78.44
2009	3.25	0	4.00	73.76
2010	3.25	0	4.00	73.76
2011	3.25	0	4.00	73.76
2012	3.25	0	4.00	73.76
2013	3.25	0	4.00	73.76
2014	3.25	0	4.00	73.76
2015	3.50	0	4.00	73.76
2016	3.75	0	4.00	73.76
2017	4.25	0	4.25	75.00

\* This rate reflects a 18.00% rate cap with a floor of 4.00%.

Acknowledgment and signature: By signing below I/We acknowledge receiving a copy of this document of this document and have been given instructions to access the home equity booklet.

\_\_\_\_\_

Borrower

\_\_\_\_\_

Co-Borrower

**TELL US ABOUT YOUR HOME**

In order for us to do a proper evaluation of the market value of your home, please complete the following:

Property taxes paid to: \_\_\_\_\_

Year home was built: \_\_\_\_\_ Owner occupied? (Y / N) \_\_\_\_\_

Is this a multiple occupancy dwelling? Circle YES / NO If yes, # of units \_\_\_\_\_

Type of Home:

\_\_\_\_\_ Split \_\_\_\_\_ BI-level \_\_\_\_\_ Colonial \_\_\_\_\_ Cape

\_\_\_\_\_ Other: please indicate: \_\_\_\_\_

Number of Bedrooms: \_\_\_\_\_ Number of Baths: \_\_\_\_\_

Please indicate whether your home has the following features:  
(CHECK OFF THE APPROPRIATE FEATURES)

<input type="checkbox"/>	1 Car Garage	<input type="checkbox"/>	2 Car Garage	<input type="checkbox"/>	Built in Pool
<input type="checkbox"/>	Deck / Patio	<input type="checkbox"/>	Fireplace	<input type="checkbox"/>	Central Air
<input type="checkbox"/>	Woodburning Stove	<input type="checkbox"/>	Basement. If yes, All, Partially, or Not Finished? (circle one)	<input type="checkbox"/>	Den / Rec Room. # of rooms _____

Your estimate of the MARKET VALUE of your home? \$ \_\_\_\_\_

Any other comments regarding your home that you feel would enhance its value:

\_\_\_\_\_  
\_\_\_\_\_

By signing below, I certify that the above information is true and correct to the best of my knowledge.

\_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Signature of Co-borrower

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Print name



Borrower		IV. EMPLOYMENT INFORMATION (cont'd)		Co-Borrower	
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from – to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from – to)
		Monthly Income			Monthly Income
		\$			\$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from – to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from – to)
		Monthly Income			Monthly Income
		\$			\$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION						
Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$	\$	\$	Rent	\$	
Overtime				First Mortgage (P&I)		\$
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/Interest				Real Estate Taxes		
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues		
				Other:		
<b>Total</b>	\$	\$	\$	<b>Total</b>	\$	\$

\* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

**Describe Other Income**

*Notice:* Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C		Monthly Amount
		\$

VI. ASSETS AND LIABILITIES	
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This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed about that spouse or other person also.

Completed  Jointly  Not Jointly

ASSETS	Cash or Market Value	LIABILITIES		
Description		<b>Liabilities and Pledged Assets.</b> List the creditor's name, address, and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities, which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.		
Cash deposit toward purchase held by:	\$			
<i>List checking and savings accounts below</i>				
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payment/Months	\$
Acct. no.	\$	Acct. no.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payment/Months	\$
Acct. no.	\$	Acct. no.		
Name and address of Bank, S&L, or Credit Union		Name and address of Company	\$ Payment/Months	\$
Acct. no.	\$	Acct. no.		



**VI. ASSETS AND LIABILITIES (cont'd)**

Name and address of Bank, S&L, or Credit Union		Name and address of Company		\$ Payment/Months	\$
Acct. no.	\$	Acct. no.			
Stocks & Bonds (Company name/ number & description)	\$	Name and address of Company		\$ Payment/Months	\$
		Acct. no.			
Life insurance net cash value	\$	Name and address of Company		\$ Payment/Months	\$
Face amount: \$					
<b>Subtotal Liquid Assets</b>	<b>\$</b>				
Real estate owned (enter market value from schedule of real estate owned)	\$				
Vested interest in retirement fund	\$				
Net worth of business(es) owned (attach financial statement)	\$	Acct. no.			
Automobiles owned (make and year)	\$	Alimony/Child Support/Separate Maintenance Payments Owed to:		\$	
Other Assets (itemize)	\$	Job-Related Expense (child care, union dues, etc.)		\$	
		<b>Total Monthly Payments</b>		<b>\$</b>	
<b>Total Assets a.</b>	<b>\$</b>	<b>Net Worth</b> (a minus b) ▶	<b>\$</b>	<b>Total Liabilities b.</b>	<b>\$</b>

**Schedule of Real Estate Owned** (If additional properties are owned, use continuation sheet.)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
	Totals	\$	\$	\$	\$	\$	\$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS				
a. Purchase price	\$	<b>If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.</b>  a. Are there any outstanding judgments against you? b. Have you been declared bankrupt within the past 7 years? c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years? d. Are you a party to a lawsuit? e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment?  (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name, and address of Lender, FHA or VA case number, if any, and reasons for the action.)	<b>Borrower</b>		<b>Co-Borrower</b>	
b. Alterations, improvements, repairs			<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
c. Land (if acquired separately)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Refinance (incl. debts to be paid off)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Estimated prepaid items			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Estimated closing costs			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. PMI, MIP, Funding Fee			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Discount (if Borrower will pay)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Total costs (add items a through h)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS			
		Borrower		Co-Borrower	
		Yes	No	Yes	No
j.	Subordinate financing	<b>If you answer "Yes" to any question a through i, please use continuation sheet for explanation.</b>			
k.	Borrower's closing costs paid by Seller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l.	Other Credits (explain)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m.	Loan amount (exclude PMI, MIP, Funding Fee financed)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n.	PMI, MIP, Funding Fee financed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o.	Loan amount (add m & n)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
p.	Cash from/to Borrower (subtract j, k, l & o from i)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**IX. ACKNOWLEDGEMENT AND AGREEMENT**

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors, and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

**Acknowledgement.** Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate business purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature <b>X</b>	Date	Co-Borrower's Signature <b>X</b>	Date
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**X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES**

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

<b>BORROWER</b> <input type="checkbox"/> I do not wish to furnish this information	<b>CO-BORROWER</b> <input type="checkbox"/> I do not wish to furnish this information
<b>Ethnicity:</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<b>Ethnicity:</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
<b>Race:</b> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	<b>Race:</b> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
<b>Sex:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male	<b>Sex:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male

<b>To be Completed by Loan Originator:</b> This information was provided: <input type="checkbox"/> In a face-to-face interview <input type="checkbox"/> In a telephone interview <input type="checkbox"/> By the applicant and submitted by fax or mail <input type="checkbox"/> By the applicant and submitted via e-mail or the Internet		
Loan Originator's Signature <b>X</b>	Date	
Loan Originator's Name (print or type)	Loan Originator Identifier	Loan Originator's Phone Number (including area code)
Loan Origination Company's Name	Loan Origination Company Identifier	Loan Origination Company's Address

**CONTINUATION SHEET/RESIDENTIAL LOAN APPLICATION**

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark **B** for Borrower or **C** for Co-Borrower.

Borrower:

Agency Case Number:

Co-Borrower:

Lender Case Number:

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly 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.

Borrower's Signature <b>X</b>	Date	Co-Borrower's Signature <b>X</b>	Date
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## INSTRUCTIONS

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### Uniform Residential Loan Application

The lender uses this form to record relevant financial information about an applicant who applies for a conventional one- to four-family mortgage. Roman numerals in these instructions correspond to the sections on the form.

Lenders must use the PDF dated 6/09 for mortgage loans applications taken on or after July 1, 2010.

#### Copies

Original plus one.

#### Printing Instructions

We provide Form 1003 in an electronic format that prints as a letter size document. However, lenders may print Form 1003 as a legal size document or with different fonts or margins that may affect pagination; we have no specific standards for the number or size of pages the form may have. Consequently, the number and size of pages will not affect compliance with Fannie Mae requirements pertaining to use of the Uniform Residential Loan Application, provided that the content of the form has not been materially altered. When printing this form, you must use the "shrink to fit" option in the Adobe Acrobat print dialog box.

#### Instructions

The lender may accept applications taken during a face-to-face interview, over the telephone, through the mail, or via the Internet. The lender should complete all blanks and attach any separate exhibits, details, or statements that are relevant to underwriting the mortgage. The borrower(s) must sign the original application at the time it is completed. If the application is taken over the telephone or via the Internet, the borrower(s) must sign the completed application as soon as possible thereafter. However, an electronic signature or facsimile of the borrower's signature is acceptable as indicated in the "Acknowledgment and Agreement" section of the application. The lender should retain the original application with the supporting information provided by the borrower(s). Before or at the loan closing, the borrower(s) must sign the final application that the lender prepares based on its verification of the information that the borrower(s) provided in the original application.

The instructions at the top of Form 1003 are consistent with the permissible inquiries that creditors are allowed to make under the Equal Credit Opportunity Act (ECOA). Although ECOA permits the lender in a community property state to obtain information regarding the liabilities of a borrower's spouse even though he or she is not applying for the mortgage and his or her income will not be considered for loan qualification purposes, we do not require the lender to obtain the information. This also means that in states where another person shares community property rights with the applicant, the lender does not need to include information on that person's liabilities if he or she is not an applicant.

Note: The following instructions highlight certain sections of the form.

#### Introductory Statement

We recognize that the introductory paragraph of Form 1003 differs slightly from the introductory paragraph in the Uniform Residential Loan Application found on Freddie Mac's website, Freddie Mac Form 65. However, because we have determined that these differences are not material, Fannie Mae will deem either version to comply with our requirements for use of the Uniform Residential Loan Application.

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## INSTRUCTIONS, CONTINUED

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### **V. Monthly Income and Combined Housing Expense Information**

Gross Monthly Income: If the net cash flow for an investment property (or the monthly operating income for a two- to four-family property for which the applicant occupies one of the units as a principal residence) is a positive number on the Operating Income Statement (Form 216), it should be listed as "net rental income." If it is a negative number, it must be included in the applicant's monthly obligations.

Combined Monthly Housing Expense: The present monthly housing expenses for the borrower and the co-borrower should be listed on a combined basis. The proposed monthly housing expense for a two- to four-family property in which the applicant will occupy a unit as a principal residence should reflect the monthly payment (PITI) for the subject property. For all one-unit investment properties and all two- to four-family properties in which the applicant will not occupy one of the units, the present monthly housing expense should reflect the applicant's principal residence.

### **VI. Assets and Liabilities**

When the borrower's and co-borrower's assets and liabilities are not sufficiently joined to make a combined statement meaningful, a separate Statement of Assets and Liabilities (Form 1003A) should be completed for the co-borrower.

### **VII. Details of Transaction**

The purchase price shown on Line "a" under the "Details of Transaction" should not include any discounts or rebates or other allowances paid or allowed to the purchaser. For refinancing, the amount being refinanced should be shown on Line "d" -- Refinance. The figure should include the total amount of all existing liens plus the costs of improvements that have been -- or will be -- made. Lines "a", "b", and "c" should not be used to describe a refinance transaction.

### **VIII. Declarations**

Noncitizen Applicants: If an applicant indicates in his response to Question J that he is not a U.S. citizen, and also indicates in his response to Question K that he is not a permanent resident alien, the lender may wish to ask whether he is a nonpermanent resident alien or otherwise is lawfully present in the United States. Fannie Mae will purchase loans where the borrower is not a U.S. citizen provided that the borrower is lawfully present in the United States. We do not designate specific documentation that is required to establish lawful presence. Lenders should consult their counsel or other sources for information on standard documents that can be used to establish lawful presence. An Individual Tax Identification Number (ITIN) alone does not establish either that the holder is lawfully present or that he is not lawfully present. Fannie Mae does not require that the borrower have a Social Security Number.

Determining First-Time Homebuyers: The loan can be considered a loan to a first-time homebuyer if any of the applicants is an individual who (1) is purchasing the security property, (2) will reside in the security property, and (3) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the security property, unless he or she is a displaced homemaker or single parent whose only ownership interest in a principal residence during the preceding three-year time period was a joint ownership with a spouse. (A displaced homemaker or single parent who during the three-year period owned a principal residence alone or with anyone other than a spouse, or who owned a second home or investment property, cannot be considered a first-time homebuyer.)

## INSTRUCTIONS, CONTINUED

A displaced homemaker is an adult who:

- has not worked full time in the labor force for several years
- has worked in the home to care for the home and family during that time, and
- is currently unemployed or underemployed and is having difficulty finding or upgrading employment

A single parent is a person who is unmarried or legally separated from his or her spouse and is pregnant or has custody (including joint custody) of one or more minor children.

The responses to questions in the Declarations section described below will enable lenders to determine whether an applicant qualifies as a first-time homebuyer. Note that if there is more than one applicant, only one of the applicants has to qualify for first-time homebuyer status in order for the mortgage to be considered a mortgage to a first-time homebuyer.

Instructions for translating these responses into a single "first-time homebuyer indicator" that can be reported to us when the mortgage is submitted for purchase or securitization follow.

Question	Responses
<b>Question L:</b> Do you intend to occupy the property as your primary residence?	If all of the applicants respond "No" to Question L, the applicants will be using the property as a second home or as an investment property, and thus cannot be considered first-time homebuyers.
	If any of the applicants respond "Yes" to Question L, review each response to Question M to determine if any of them is a first time homebuyer.
<b>Question M:</b> Have you had an ownership interest in a property in the last three years?	If any of the applicants responds "No" to Question M, the mortgage can be considered a mortgage to a first-time homebuyer.
	If all of the applicants respond, "Yes" to Question M, review each response to the two subsections of Question M to determine if any of the applicants is a first time homebuyer.
<b>Question M--Subsection 1:</b> What type of property did you own--principal residence (PR), second home (SH), or investment property (IP)?	If all of the applicants respond that they owned a second home or investment property, the mortgage cannot be considered a mortgage to a first-time homebuyer.
	If any of the applicants responds that he or she owned a principal residence, review that applicant's response to subsection two of Question M to determine if he or she is a first time homebuyer.
<b>Question M--Subsection 2:</b> How did you hold title to the home--solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	If all of the applicants who indicated that they owned a principal residence respond that they owned it alone or with a person other than a spouse, the mortgage cannot be considered a mortgage to a first-time homebuyer.
	If any of the applicants who indicated that they owned a principal residence responds that it was owned jointly with a spouse, review "Section III. Borrower Information" on Page 1 of Form 1003 to determine the marital status and number of dependents for each applicant who so responded. If the information on page 1 indicates that the applicant is a displaced homemaker or a single parent, he or she qualifies as a first time homebuyer.
	If any of the applicants who indicated that the principal residence was owned jointly with a spouse has a marital status of "unmarried" or "separated" and has dependents, he or she can be considered a first-time homebuyer.
<b>"Marital Status" and "Number of Dependents" in Section III.</b> Borrower Information	<p>If any of the applicants who indicated that the principal residence was owned jointly with a spouse is an adult who:</p> <ul style="list-style-type: none"> <li>• has not worked full time in the labor force for several years</li> <li>• has worked in the home to care for the home and family during this time, and</li> <li>• is currently unemployed or underemployed and is having difficulty finding or upgrading employment,</li> </ul> <p>he or she is a displaced homemaker and qualifies as a first time homebuyer.</p>

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## INSTRUCTIONS, CONTINUED

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The following may be added to Section IX: Acknowledgment and Agreement at the end of the paragraph.

### **Right to Receive Copy of Appraisal.**

I/We have the right to a copy of the appraisal report used in connection with this application for credit. To obtain a copy, I/we must send Lender a written request at the mailing address Lender has provided. Lender must hear from me/us no later than 90 days after Lender notifies me/us about the action taken on this application, or I/we withdraw this application.

### **X. Information for Government Monitoring Purposes**

This section is included to aid the federal government in monitoring compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. Supplying this information is strictly voluntary on the part of the applicant, but lenders should ask all applicants to provide it, including those who apply by telephone and through the Internet, and should describe the reason for collecting this data. Race and ethnicity are separate categories, and although the lender should ask applicants to furnish information for both, applicants may furnish one but not the other. Note that there is no longer a place for applicants to indicate race as "Other" but applicants may check as many races as apply.

The Home Mortgage Disclosure Act and its implementing Regulation C generally require Lenders to collect sex, race and ethnicity data on all applications.

When an application is taken in person and an applicant elects not to provide some or all of this information, federal law requires the lender to note the applicant's sex, ethnicity, and race on the form, based on the lender's visual observation or the applicant's surname. To aid in identifying applicants who may be of Hispanic ethnicity and who elect not to self-identify, the lender may wish to consult the list of Spanish surnames developed by the U.S. Bureau of the Census. Furthermore, the lender may wish to advise the applicant that he may complete or change the information in this section after the application is approved, at any time up until closing.

### **To Be Completed By Interviewer**

The interviewer must complete this portion of the form to indicate the method used to take the application and to provide the name and telephone number of the interviewer, as well as his or her employer's name and address.

### **To Be Completed By Loan Originator (for PDF dated 06/09 for mortgage loans applications taken on or after January 1, 2010)**

The loan originator must complete this portion of the form to indicate the method used to take the application and to provide the loan originator's name, ID, and telephone number, as well as his or her employer's name, company ID, and address. Further details regarding implementation and exceptions are detailed in Announcement 09-21.

### **Continuation Sheet/Residential Loan Application**

Lenders may amend this section by including space to evidence intent to apply for joint credit. Other approaches, such as including this information on a separate document, are also acceptable to Fannie Mae, provided they meet the requirements of applicable law. Lenders should consult counsel to determine their alternatives.

### **Special Notice for Balloon Mortgages**

For each balloon mortgage, the lender must insert a special notice regarding the nature of the balloon features on Form 1003 or in a separate attachment to the form. If an attachment is used, the borrower(s) must sign the attachment. The following language must be inserted, using capital letters:

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## INSTRUCTIONS, CONTINUED

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"THIS LOAN MUST EITHER BE PAID IN FULL AT MATURITY OR REFINANCED TO A MARKET LEVEL FIXED-RATE MORTGAGE. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE IF YOU DO NOT QUALIFY FOR THE CONDITIONAL RIGHT TO REFINANCE AS SPECIFIED IN THE NOTE ADDENDUM AND MORTGAGE RIDER. THE LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN IF QUALIFICATION CONDITIONS ARE NOT MET. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER, WHICH MAY BE THE LENDER YOU HAVE THIS LOAN WITH, WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING".

### **For California Applications**

California Civil Code 1812.30 (j) requires that credit applications clearly specify that the applicant, if married, may apply for a separate account. This requirement is not inconsistent with the language at the beginning of Form 1003.

Lenders may revise the description of the "Married" box in Section III for Borrowers and Co-Borrowers by adding "(includes registered domestic partners)." If lenders are unable to insert the language due to the format of the form, this language may be added to the continuation sheet or included as an attachment to Form 1003.