

**LOANLINER®**

**LOANLINER®  
FIRST MORTGAGE DOCUMENTS  
USER GUIDE**

**PROCESSING DOCUMENTS**



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**Disclaimer:** This guide is distributed to provide general information about the subject matter covered. It should not be substituted for professional advice in specific situations. CUNA Mutual Group does not represent or warrant the fitness or suitability of any LOANLINER® First Mortgage document for any specific purpose. Competent First Mortgage lending personnel with experience in making the type of first mortgage loans that will be documented with these forms should thoroughly review each loan document and determine its suitability for use for a specific loan transaction. In addition, all documents should be thoroughly reviewed to identify any inconsistencies with your credit union's policies and procedures. CUNA Mutual Group cannot provide legal advice. If you have questions related to specific loan transactions, please consult your attorney.

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# Introduction

Welcome to the LOANLINER First Mortgage Documents User Guide. This User Guide will help you process documents for First Mortgage loans from the following document groupings:

- Origination Documents
- **Processing Documents (this User Guide)**
- Closing Documents
- Post-Closing Documents
- State-Based Notices and Disclosures

You can use our First Mortgage Document Suite to supplement your mortgage lending operations document needs. The LOANLINER First Mortgage Document Suite was designed from Fannie Mae (FNMA) documents. State-specific versions of FNMA documents are available from the LOANLINER department as well. Notary acknowledgements are included with our security instruments so filing of documents is a snap. The LOANLINER First Mortgage documents are available in electronic PDF format.

With LOANLINER documents you can rest assured that every document, when completed in accordance with the instructions provided in this guide, is compliant with federal and state regulations and standards.

## Service and Support

The LOANLINER Program has been part of credit unions' lending success for well over two (2) decades and is currently being used by nearly 5,400 credit unions. Our work with these credit unions has helped us develop a high degree of lending and deposit operation and compliance. You will have direct access to our compliance area via any of the channels described below.

**LOANLINER Lending Resource Center.** Providing you with 24x7 access to the resources you'll need to fully utilize your LOANLINER First Mortgage documents. The Resource Center includes e-learning modules, document samples, user guides, answers to frequently asked questions, featured articles, and other helpful tools. This Resource Center is available only to LOANLINER customers. To request access go to [www.cunamutual.com](http://www.cunamutual.com). Compliance updates are distributed through the Lending Resource Center. There is also an archive of past updates.

**LOANLINER Documents User Guides.** We strongly recommend that all credit unions review the LOANLINER First Mortgage Documents User Guide for important document usage information and state-specific language that is recommended for certain loan documents. These User Guides can be found in the LOANLINER Lending Resource Center.

**LOANLINER Customer Service.** Providing you with assistance in ordering documents, checking the status of your order, or billing questions. Call 800.356.5012, Option 1 or e-mail [loanliner@cunamutual.com](mailto:loanliner@cunamutual.com).

**LOANLINER Compliance Support.** Providing you with assistance in selecting documents as well as answers to your compliance, document usage, and operational questions. Call 800.356.5012, Option 2 or e-mail [loanliner@cunamutual.com](mailto:loanliner@cunamutual.com).

**Your CUNA Mutual Group Representative.** Call your CUNA Mutual Group account representative at 800.356.2644 for more information.

## Using this Guide

This User Guide provides the basics on the purpose and use of the LOANLINER First Mortgage documents (not including state-based documents). You can download the current User Guide from the LOANLINER Lending Resource Center. This User Guide is intended to be used as:

- A learning tool to learn the LOANLINER First Mortgage Document Suite.
- A reference tool once you begin using the documents on a regular basis.
- A supplement to credit union training activities related to first mortgages.

If you need detailed assistance, you can rely on your local CUNA Mutual Group representative or the LOANLINER compliance staff for help on using any of the First Mortgage documents. Or contact your local CUNA Mutual Group representative for more information on CUNA Mutual Group.

The User Guide was designed to make it easy for you to reference each document. Each chapter provides the following information for each document:

- Document description
- Document sample
- Document instructions

# Verification of Mortgage

A Request for Verification of Mortgage can be used to obtain direct verification of mortgage payment history from the institution listed on the application.

Many special situations may arise warranting use of the Verification of Mortgage document. These situations must be evaluated by a person with experience in mortgage lending. Three special situations are mentioned here:

- If the first mortgage has been paid in full and there is no other mortgage, your credit union's mortgage will be a "first" without being a "purchase money" mortgage. Most state statutes regulating first mortgages assume that a first mortgage is a purchase money mortgage. Your credit union may want to obtain a mortgage verification, however, for payment history information.
- If an existing mortgage contains a future advance clause, amounts not yet advanced under the existing mortgage may reduce the equity on which your credit union is relying.
- If an existing mortgage contains an "escalator" clause, that is, a clause by which monthly payments may increase because of a variable rate or other alternative mortgage provisions, the applicant may have fewer dollars with which to repay your credit union.

## Document Description

<b>When used</b>	A Request for Verification of Mortgage should be sent to each mortgage or lienholder, when the applicant indicates on the application that there is another mortgage or lien on the property being used as security.
<b>Purpose</b>	This document is used to obtain, directly from the lienholder, the borrower's payment history information for previous or current mortgages or liens against the property being offered as security for the loan.
<b>How distributed</b>	The Credit Union sends a copy of this document to the lienholder indicated on the application. Before mailing, make a copy for your file. A pre-addressed, stamped envelope should be sent with the document to ensure prompt return. Upon return of the document, place in member's file.
<b>Document number</b>	EVM43*
<b>Imprinting</b>	No imprinting available
<b>Number of pages</b>	One
<b>State specific versions</b>	None

\*Indicates version number

# Verification of Mortgage

## Sample

Use the numbers provided to locate the corresponding instructions on the next page.

### Request for Verification

OF MORTGAGE OR DEED OF TRUST,  
RENTAL OR LAND CONTRACT ACCOUNT

**INSTRUCTIONS** We have received an application for a loan or loan account from the applicant listed below, to whom we understand you rent or have extended a real estate loan. Please complete Section 2 below and return to the Credit Union.

---

TO <span style="float: right;">1</span>	FROM (Name and Address of Credit Union) <span style="float: right;">2</span>
DATE <span style="float: right;">3</span>	CREDIT UNION FILE NUMBER (Optional) <span style="float: right;">4</span>
SIGNATURE OF CREDIT UNION EMPLOYEE <b>X</b> <span style="float: right;">5</span>	CREDIT UNION EMPLOYEE TITLE <span style="float: right;">6</span>

---

<b>1</b> INFORMATION TO BE VERIFIED	NAME AND ADDRESS OF APPLICANT(S) <span style="float: right;">7</span>	TYPE OF ACCOUNT:
	PROPERTY ADDRESS <span style="float: right;">8</span>	<input type="checkbox"/> MORTGAGE OR DEED OF TRUST <input checked="" type="checkbox"/> RENTAL <span style="float: right;">9</span> <input type="checkbox"/> LAND CONTRACT
	SIGNATURE OF APPLICANT(S) <span style="float: right;">12</span> <b>X</b>	ACCOUNT IN THE NAME OF <span style="float: right;">10</span>
		ACCOUNT NUMBER <span style="float: right;">11</span>

---

<b>2</b> TO BE COMPLETED BY LANDLORD/CURRENT LENDER	<input type="checkbox"/> RENTAL ACCOUNT	
	TENANT HAS RENTED FROM _____ TO _____ AMOUNT OF RENT \$ _____ PER _____	IS RENT IN ARREARS <input type="checkbox"/> YES <input type="checkbox"/> NO AMOUNT IN ARREARS \$ _____ PERIOD _____ NUMBER OF TIMES PAST DUE IN LAST 12 MONTHS ___30-59 (DAYS) ___60-89 (DAYS) ___90-119 (DAYS) ___120+ (DAYS)
	<input type="checkbox"/> MORTGAGE OR DEED OF TRUST ACCOUNT OR <input type="checkbox"/> LAND CONTRACT	
	DATE MORTGAGE OR DEED OF TRUST/LAND CONTRACT ORIGINATED IS MORTGAGE OR DEED OF TRUST/LAND CONTRACT CURRENT <input type="checkbox"/> YES <input type="checkbox"/> NO MORTGAGE OR DEED OF TRUST/LAND CONTRACT AMOUNT ORIGINAL \$ _____ CURRENT \$ _____ MONTHLY PAYMENT WITH TAXES AND INSURANCE \$ _____	INTEREST RATE _____ % MORTGAGE OR DEED OF TRUST/LAND CONTRACT ASSUMABLE <input type="checkbox"/> YES <input type="checkbox"/> NO NUMBER OF TIMES PAST DUE IN LAST 12 MONTHS ___15-29 (DAYS) ___30-59 (DAYS) ___60-89 (DAYS) ___90+ (DAYS) NEXT PAYMENT DUE _____ / _____ / _____

Additional information which may be of assistance in determination of creditworthiness:

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<b>14</b>	SIGNATURE OF LANDLORD/CURRENT LENDER <b>X</b> TITLE _____ DATE _____
-----------	--

EVM433 (LASER) 6849LL



## Verification of Mortgage

### Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

1. Enter the name of the lender or landlord to which the request for verification is made.
2. Enter the Credit Union's name and address.
3. Enter the date the request is made.
4. Enter the Credit Union file number (optional).
5. The Credit Union representative signs here.
6. Enter the title of the Credit Union representative.

#### Part 1 – Information to be Verified

7. Enter the name and address of the applicant. This may or may not be the address of the property securing the transaction being verified.
8. Enter the address (street address, city, state and zip code) of the property securing the transaction being verified.
9. Check the box identifying the type of account that is being verified.
10. Enter the name(s) on the account.
11. Enter the account number, if any.
12. The applicant(s) signs here to authorize the release of mortgage or land contract information.

#### Part 2 – To Be Completed by Landlord/Current Lender

13. This section should be completed by the lender or landlord.
14. Authorized Signature. This portion of the document should be signed by the lender or landlord.

**Note:** Credit unions may want to include a short cover letter with this document identifying the sections to be completed by the lender or landlord. It is good practice to circle in red or highlight information the lender or landlord must complete.



# Verification of Deposit

A Request for Verification of Deposit can be used to obtain direct verification of deposit history from each depository institution listed on the application. Your credit union should have the applicant(s) or other person sign each Verification of Deposit document before sending to the depository institution.

## Document Description

<b>When used</b>	A Request for Verification of Deposit should be used for each institution where the applicant(s) listed a deposit account.
<b>Purpose</b>	This document is used to verify information on each deposit account listed by the applicant(s) on the application.
<b>How distributed</b>	The Credit Union sends a copy of this document to the depository institution listed on the application. Before mailing, make a copy for your file. A preaddressed, stamped envelope should be sent with the document to ensure prompt return. Upon return of the document, place in member's file.
<b>Document number</b>	EVD41*
<b>Imprinting</b>	No imprinting available
<b>Number of pages</b>	One
<b>State specific versions</b>	None

\*Indicates version number

# Verification of Deposit

## Sample

Use the numbers provided to locate the corresponding instructions on the next page.

**Request for Verification of Deposit**

**Privacy Act Notice:** This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. seq. or 7 USC, 1921 et. seq. (if USDA/FmHA).

**Instructions:** Lender - Complete Items 1 through 8. Have applicant(s) complete Item 9. Forward directly to depository named in Item 1.  
 Depository - Please complete Items 10 through 18 and return DIRECTLY to lender named in Item 2.  
**The form is to be transmitted directly to the lender and is not to be transmitted through the applicant(s) or any other party.**

---

**Part I - Request**

1. To (Name and address of depository)  <b>1</b>	2. From (Name and address of lender)  <b>2</b>
--	--

I certify that this verification has been sent directly to the bank or depository and has not passed through the hands of the applicant or any other party.

3. Signature of lender <b>3</b>	4. Title <b>4</b>	5. Date <b>5</b>	6. Lender's No. (Optional) <b>6</b>
------------------------------------	----------------------	---------------------	--

7. Information To Be Verified **7**

Type of Account	Account in Name of	Account Number	Balance
			\$
			\$
			\$

**To Depository:** I/We have applied for a mortgage loan and stated in my financial statement that the balance on deposit with you is as shown above. You are authorized to verify this information and to supply the lender identified above with the information requested in Items 10 through 13. Your response is solely a matter of courtesy for which no responsibility is attached to your institution or any of your officers.

8. Name and Address of Applicant(s) <b>8</b>	9. Signature of Applicant(s) <b>9</b>
---	--

---

**To Be Completed by Depository**

**Part II - Verification of Depository**

10. Deposit Accounts of Applicant(s) **10**

Type of Account	Account Number	Current Balance	Average Balance For Previous Two Months	Date Opened
		\$	\$	
		\$	\$	
		\$	\$	

11. Loans Outstanding To Applicant(s)

Loan Number	Date of Loan	Original Amount	Current Balance	Installments (Monthly/Quarterly)	Secured By	No. of Late Payments
		\$	\$	\$ per		
		\$	\$	\$ per		
		\$	\$	\$ per		

12. Please include any additional information which may be of assistance in determination of credit worthiness. (Please include information on loans paid-in-full in Item 11 above).

13. If the name(s) on the account(s) differ from those listed in Item 7, please supply the name(s) on the account(s) as reflected by your records.

---

**Part III - Authorized Signature** - Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy purposed to influence the issuance of any guaranty or insurance by the VA Secretary, the U.S.D.A., FmHA/FHA Commissioner, or the HUD/CPD Assistant Secretary.

14. Signature of Depository Representative	15. Title (Please print or type)	16. Date
17. Please print or type name signed in Item 14	18. Phone No.	

Fannie Mae Form 1060 Mar. 90 EVD414 (LASER) 27860

## Verification of Deposit

### Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

#### Part I – Request

1. Enter the name and address of the institution to which the request for verification is made.
2. Enter the Credit Union's name and address.
3. The Credit Union representative signs here.
4. Enter the title of the Credit Union representative.
5. Enter the date the request is made.
6. Enter the Credit Union ID number in this space (optional).
7. **Information to Be Verified.** Complete this portion of the document with the information the member provided on the application.
8. Enter the name and address of the applicant(s).
9. The applicant(s) signs here to authorize the release of deposit information.

#### Part II – Verification of Depository

10. This section is completed by the requested depository.

#### Part III – Authorized Signature

11. This section is signed by an authorized representative of the institution providing the requested information.

**Note:** Credit unions may want to include a short cover letter with this document identifying the sections to be completed by the depository. It is good practice to circle in red or highlight the information the verifying institution must complete.

# Verification of Employment

A Request for Verification of Employment should be used to obtain direct verification of employment history from **each** former and current employer listed on the borrower's loan application for the period of time your credit union has decided to verify. Your credit union should have the applicant(s) or other person sign each Verification of Employment document before sending it to the former or current employers.

## Document Description

<b>When used</b>	A Request for Verification of Employment should be sent to each of the applicant's current and former employers listed on the application.
<b>Purpose</b>	This document is used to verify the employment history given by the applicant(s) on the application.
<b>How distributed</b>	The Credit Union sends a copy of this document to each employer listed on the application. Before mailing, make a copy for your file. A preaddressed, stamped envelope should be sent with the document to ensure prompt return. Upon return of the document, place it in the member's file.
<b>Document number</b>	EVE49*
<b>Imprinting</b>	No imprinting available
<b>Number of pages</b>	One
<b>State specific versions</b>	None

\*Indicates version number

# Verification of Employment

## Sample

Use the numbers provided to locate the corresponding instructions on the next page.

<b>Request for Verification of Employment</b>					
<p><b>Privacy Act Notice:</b> This information is to be used by the agency collecting it or its assignees in determining whether you qualify as a prospective mortgagor under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested in this form is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et.seq. (if HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et.seq. or 7 USC, 1921 et.seq. (if USDA/FmHA).</p> <p><b>Instructions: Lender--</b> Complete Items 1 through 7. Have applicant complete Item 8. Forward directly to employer named in 1.  <b>Employer --</b> Please complete either Part II or Part III as applicable. Complete Part IV and return directly to lender named in Item 2.  <b>The form is to be transmitted directly to the lender and is not to be transmitted through the applicant or any other party.</b></p>					
<b>Part I -- Request</b>					
1. To (Name and address of employer) <b>1</b>			2. From (Name and address of lender) <b>2</b>		
I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.					
3. Signature of lender <b>3</b>		4. Title <b>4</b>		5. Date <b>5</b>	6. Lender's Number (Optional) <b>6</b>
I have applied for a mortgage loan and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.					
7. Name and Address of Applicant (include employee or badge number) <b>7</b>			8. Signature of Applicant <b>8</b>		
<b>9 Part II -- Verification of Present Employment</b>					
9. Applicant's Date of Employment		10. Present Position		11. Probability of Continued Employment	
12A. Current <b>Gross</b> Base Pay (Enter Amount and Check Period) <input type="checkbox"/> Annual <input type="checkbox"/> Hourly <input type="checkbox"/> Monthly <input type="checkbox"/> Other (Specify) <input type="checkbox"/> Weekly \$ _____			13. For Military Personnel Only Pay Grade _____ Type _____ Monthly Report _____ Base Pay \$ _____ Rations \$ _____ Flight or Hazard \$ _____ Clothing \$ _____ Quarters \$ _____ Pro Pay \$ _____ Overseas or Combat _____ Variable Housing Allowance _____		14. If Overtime or Bonus is Applicable, is its Continuance Likely? Overtime <input type="checkbox"/> Yes <input type="checkbox"/> No Bonus <input type="checkbox"/> Yes <input type="checkbox"/> No
12B. <b>Gross Earnings</b>				15. If paid hourly --average hours per week	
Type	Year to Date	Past Year _____	Past Year _____	Rations	\$ _____
Base Pay	Thru \$ _____	\$ _____	\$ _____	Flight or Hazard	\$ _____
Overtime	\$ _____	\$ _____	\$ _____	Clothing	\$ _____
Commissions	\$ _____	\$ _____	\$ _____	Quarters	\$ _____
Bonus	\$ _____	\$ _____	\$ _____	Pro Pay	\$ _____
Total	\$ _____	\$ _____	\$ _____	Overseas or Combat	_____
				Variable Housing Allowance	_____
20. Remarks (If employee was off work for any length of time, please indicate time period and reason)					
<b>10 Part III -- Verification of Previous Employment</b>					
21. Date Hired		23. Salary/Wage at Termination Per (Year)(Month)(Week)			
22. Date Terminated		Base _____		Overtime _____ Commissions _____ Bonus _____	
24. Reason for Leaving			25. Position Held		
<b>11 Part IV-- Authorized Signature</b> -- Federal statutes provide severe penalties for any fraud, intentional misrepresentation, or criminal connivance or conspiracy purposed to influence the issuance of any guaranty or insurance by the VA Secretary, the U.S.D.A., FmHA/FHA Commissioner, or the HUD/CPD Assistance Secretary.					
26. Signature of Employer		27. Title (Please print or type)		28. Date	
29. Print or type name signed in Item 26		30. Phone No.			

Fannie Mae  
Form 1005 Mar. 90  
EVE495 (LASER)

## Verification of Employment

### Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

#### Part I – Request

1. Enter the name and address of the employer to which the request for verification is made.
2. Enter the Credit Union's name and address.
3. The Credit Union representative signs here.
4. Enter the title of the Credit Union representative.
5. Enter the date the request is made.
6. Enter the Credit Union ID number (optional).
7. Enter the name and address of the applicant(s).
8. The applicant(s) signs here to authorize the release of employment information.

#### Part II – Verification of Present Employment

9. This section is completed by the present employer to verify present employment.

#### Part III – Verification of Previous Employment

10. This section is completed by the previous employer to verify employment history.

#### Part IV – Authorized Signature

11. This section is signed by an authorized representative of the employer providing the employment information.

**Note:** Credit unions may want to include a short cover letter with this document identifying the sections to be completed by the present or previous employer. It is good practice to circle in red or highlight the information the employer must complete.

# Interest Rate Lock-In Agreement

The Interest Rate Lock-In Agreement guarantees a buyer a certain interest rate, provided a loan is closed within the specified time. Typically, a lender will provide a written rate lock-in agreement at the time of application. In a shorter time frame, lenders may offer a locked-in rate without a fee. For a longer period of time, there is greater uncertainty about how lending rates may change, and thus the Interest Rate Lock-In Agreement may carry a higher fee.

## Document Description

<b>When used</b>	The Interest Rate Lock-In Agreement can be used when a credit union wants to guarantee an interest rate to an applicant when applying for a mortgage loan. Credit unions are not required to use this document.
<b>Purpose</b>	The Interest Rate Lock-In Agreement is a guarantee from the lender to the applicant that the loan being applied for will be written at a specified interest rate if the loan process is completed within a specified period of time.
<b>How distributed</b>	A copy is given to the applicant(s).
<b>Document number</b>	RM007*
<b>Imprinting</b>	Optional imprinting of credit union name, address, telephone number, and logo.
<b>Number of pages</b>	Two
<b>State specific versions</b>	None

\*Indicates version number



# Interest Rate Lock-In Agreement

## Page One Sample

Use the numbers provided to locate the corresponding instructions on the next page.

**LOANLINER.**

---

**Interest Rate Lock-In Agreement**

---

LENDER NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_  
FAX: \_\_\_\_\_

**1** APPLICANT 1 NAME: \_\_\_\_\_ ACCOUNT NUMBER: \_\_\_\_\_  
APPLICANT 2 NAME: \_\_\_\_\_  
APPLICANT 3 NAME: \_\_\_\_\_  
APPLICANT 4 NAME: \_\_\_\_\_  
PROPERTY ADDRESS: \_\_\_\_\_

Purchase       Refinance       Primary Residence       Second Home

You have placed an application for a mortgage loan with the above Lender, to be secured with the property above. The Lender agrees to accept your loan application under the terms and conditions listed below. This is not a loan commitment. You will be notified as to whether or not your application is approved.

This Lock-In Agreement shall become binding when signed by you and the Lender.

\_\_\_\_\_

**2 LOCK-IN FEE:**

A Lock-In Fee of \$ \_\_\_\_\_ ( \_\_\_\_\_ % of the Loan Amount) is required to lock in the terms of this Agreement. The Lock-In Fee  is  is not included in the Origination Fee/Discount Points stated below. This Lock-In Fee must be paid by \_\_\_\_\_. If you provide the Lender with incomplete or incorrect credit information, you may forfeit some or all of your Lock-In Fee.

**3 LOAN TERMS:**

The loan you have applied for is a  fixed rate, or  adjustable rate, or  balloon mortgage loan.

Loan Amount: \$ \_\_\_\_\_      Loan Term: \_\_\_\_\_ months.

Commitment Fee: \$ \_\_\_\_\_ ( \_\_\_\_\_ % of the Loan Amount)  is  is not included in the Origination Fee/Discount Points stated below.

Origination Fee/Discount Points is \$ \_\_\_\_\_ ( \_\_\_\_\_ % of the Loan Amount).  
Interest Rate: \_\_\_\_\_ (If this is an adjustable rate mortgage, this is your initial interest rate.)

Monthly Payment of Principal & Interest: \$ \_\_\_\_\_. (If this is an adjustable rate mortgage, this is your initial monthly payment of principal & interest.)

Balloon Payment:  Yes  No  
Negative Amortization:  Yes  No

Private Mortgage Insurance:  Required  Not Required, provided the appraised value of the property results in a Loan to Value ratio of 80% or less.

Escrows for Real Estate Taxes and Insurance:  Required  Optional

**4 ADJUSTABLE RATE MORTGAGES ONLY:**

Margin: \_\_\_\_\_      Index Value: \_\_\_\_\_      Index Description: \_\_\_\_\_  
Adjustment period: \_\_\_\_\_      Caps: Per adjustment \_\_\_\_\_      Lifetime: \_\_\_\_\_

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## Interest Rate Lock-In Agreement

### Page One Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

#### 1. Loan Information.

- Enter lender's name, address, telephone number, and fax number.
- Enter name of applicant(s).
- Enter the property address.
- Check the purchase, refinance, primary residence, and/or second home checkbox(es) as appropriate.

#### 2. Lock-In Fee.

- Enter the amount of the Lock-In Fee, and the percentage of the total loan amount used to determine the fee.
- Enter the date the fee is due.

#### 3. Loan Terms.

- Check the fixed rate checkbox or the adjustable rate checkbox.
- Enter the loan amount.
- Enter the number of months of the term of the loan.
- Enter the amount of the Commitment Fee, and the percentage of the total loan amount used to determine the fee.
- Check whether the Commitment Fee is included in the Origination Fee.
- Enter the amount of the Origination Fee, and the percentage of the total loan amount used to determine the fee.
- Enter the interest rate.
- Enter the monthly payment amount.
- Check the appropriate checkboxes regarding a balloon payment, negative amortization applies, and private mortgage insurance.
- Check if an escrow account is required.

#### 4. Adjustable Rate Mortgages.

Enter information in applicable fields if the loan is for an adjustable rate mortgage.

# Interest Rate Lock-In Agreement

## Page Two Sample

Use the numbers provided to locate the corresponding instructions on the next page.

**5 EXPIRATION DATE:**

The Expiration Date of this Lock-In Agreement is: \_\_\_\_\_ . (check one as applicable)

If your loan does not close by the Lock-in Expiration Date, the Lender has no obligation to honor the terms of this agreement and this may result in a higher rate or more points being charged on your loan.

OR

If this loan is for the refinance of your primary residence, you will not receive the loan proceeds on the date of your closing. Therefore, your loan must close at least three (3) business days prior to the expiration date stated above or the Lender has no obligation to honor the terms of this agreement and this may result in a higher rate or more points being charged on your loan.

**6 REFUNDABILITY:**

Your Lock-In Fee is non-refundable, except for the following circumstances:

- A) If the Lender issues a commitment to make you a loan and the commitment is conditioned on the approval of a third-party investor or mortgage insurance company and that party rejects the loan.
- B) If the property appraisal report is not favorable for the loan you applied for (unless you and the Lender agree on another loan for which the appraisal is favorable).
- C) If you provided the Lender with complete and accurate credit information and your application is declined.
- D) Other \_\_\_\_\_.

**7 DOCUMENTATION:**

The following is a list of information and conditions that the Lender would typically require you to produce and/or satisfy prior to closing your loan:

- A) Provide written verification of the information contained in the loan application, including income, assets and the timely payment of debts (mortgage loans, credit cards, rent, etc.)
- B) Title report and insurance, property survey, copy of Certificate of Occupancy for use, satisfactory final inspection (if new construction), evidence of appropriate hazard insurance, evidence of flood insurance as appropriate, master policy insurance certificate (if applicable in the case of condominiums), termite inspection report, radon test report, well water test report and septic inspection report.
- C) If the loan is to be secured by an interest in a cooperative dwelling unit, proprietary lease, recognition agreement, pledge of shares of stock, warranty and representation that no outstanding claims against the proprietary lease or stock will exist at closing and a copy of certificate of occupancy and title policy for the entire building if conversion has occurred within the last six (6) months.
- D) Other \_\_\_\_\_.

**CHANGING LOAN PROGRAMS:**

The loan terms described in this Agreement apply only to the loan program you have locked in. If you choose to change programs, this agreement may become null and void at the Lender's option.

**SIGNATURES**

Please sign and return this Agreement together with a check made payable to the Lender in the amount of the Lock-In Fee listed above. If you do not sign and return this Agreement with the Lock-In Fee by \_\_\_\_\_, the Lender may, at its option, declare this agreement null and void. Please retain a copy for your files. Do not sign this form if spaces are left blank.

LENDER \_\_\_\_\_ DATE \_\_\_\_\_

BY: \_\_\_\_\_

**8**

\_\_\_\_\_  
APPLICANT 1 SIGNATURE DATE

\_\_\_\_\_  
APPLICANT 2 SIGNATURE DATE

\_\_\_\_\_  
APPLICANT 3 SIGNATURE DATE

\_\_\_\_\_  
APPLICANT 4 SIGNATURE DATE

## Interest Rate Lock-In Agreement

### Page Two Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

5. **Expiration Date.** This section informs the applicant of the date the locked-in rate will expire and the lender obligations upon expiration of the locked-in rate.
  - Enter the date the locked-in rate will expire.
  - Check the appropriate box regarding lender obligations.
6. **Refundability.** This section informs the applicant of the conditions under which the Lock-In Fee is refundable.
7. **Documentation.** This section informs the applicant what information the applicant must produce prior to the closing of the loan.
8. **Signatures.** This section informs the borrower to sign and return the agreement, along with the required Lock-In Fee, to the Credit Union.
  - Enter the date the Interest Rate Lock-In Agreement and Lock-In Fee are due from the applicant.
  - Enter the Credit Union name and the current date. A representative of the Credit Union should sign the Interest Rate Lock-In Agreement.
  - The applicant(s) should sign and date the Interest Rate Lock-In Agreement.

# Commitment Letter

A lender issues a loan commitment letter after it has approved both the property and the borrower. The Commitment Letter document states that the borrowers have officially been approved for the loan after the underwriters have verified the supporting documentation provided with the application.

The Commitment Letter document is the formal loan approval that sets forth the terms and conditions under which the loan is made. The body of the letter specifies the loan amount, loan program, interest rate, and any conditions that must be met by the borrower prior to closing.

## Document Description


<b>When used</b>	The Commitment Letter document is used after the mortgage loan has been approved and prior to the closing.
<b>Purpose</b>	The Commitment Letter document informs the borrower that the mortgage loan has been approved. It specifies the terms and conditions under which the loan is to be made.
<b>How distributed</b>	The Commitment Letter document is given or mailed to the borrower prior to the loan closing.
<b>Document number</b>	RM020*
<b>Imprinting</b>	Optional imprinting of credit union name, address, telephone number, and logo.
<b>Number of pages</b>	Two
<b>State specific versions</b>	None

\*Indicates version number

# Commitment Letter

## Page One Sample

Use the numbers provided to locate the corresponding instructions on the next page.

  
**Commitment Letter**

**1** BORROWER 1 NAME: \_\_\_\_\_ ACCOUNT NUMBER: \_\_\_\_\_  
BORROWER 2 NAME: \_\_\_\_\_ LOAN NUMBER: \_\_\_\_\_  
BORROWER 3 NAME: \_\_\_\_\_  
BORROWER 4 NAME: \_\_\_\_\_

**2** PROPERTY ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

**3** We are pleased to inform you that \_\_\_\_\_ ("Lender") has approved your loan application on the above captioned property. Our obligation to make this loan is specifically conditioned upon the terms and conditions of this letter.

**4** Loan Type:  CONV  
Program:  Fixed  Adjustable Rate  Refinance--Cash Out  Refinance--Rate/Term  
Loan Amount: \$ \_\_\_\_\_ Term: \_\_\_\_\_ years  
Initial Interest Rate: \_\_\_\_\_ %  
Origination/Buyer: \$ \_\_\_\_\_  
Discount/Buyer: \$ \_\_\_\_\_ ( \_\_\_\_\_ %)  
Commitment Fee: \$ \_\_\_\_\_ ( \_\_\_\_\_ %)

**5 Initial Payment Calculation**

Initial principal and interest payment \$ \_\_\_\_\_

Monthly escrow payments not required.  
 Monthly escrow payments required.

Monthly escrow items:

\_\_\_\_\_ : \$ \_\_\_\_\_  
\_\_\_\_\_ : \$ \_\_\_\_\_

Other monthly payment components:

\_\_\_\_\_ : \$ \_\_\_\_\_  
\_\_\_\_\_ : \$ \_\_\_\_\_

Total of Initial Monthly Payment: \$ \_\_\_\_\_

**NOTE:** These fees do not include all closing costs. Please refer to the *Good Faith Estimate of Settlement Costs* pertaining to your mortgage loan application.

**6** \* If your loan is an Adjustable Rate Mortgage ("ARM"), the interest rate locked in will be the initial interest rate for your loan. During the term of the loan, the interest rate may increase or decrease beginning \_\_\_\_\_ and every \_\_\_\_\_ months thereafter. The following terms are applicable if your loan is an ARM:

Margin: \_\_\_\_\_ %  
Index: \_\_\_\_\_ %

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## Commitment Letter

### Page One Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

1. **Name of Borrower(s).** This section provides a place to record the borrower's name.
2. **Property Address.** This section provides a place to record the address of the property for which a mortgage loan is being sought.
3. **Lender Name.** This section provides a place to record the Credit Union's name.
4. **Loan Details.** Enter the details for the loan the borrower has qualified for.
5. **Initial Payment Calculation.** Enter the loan amount and the interest rate used to calculate the initial loan payment.
6. **Adjustable Interest Rate Details.** For an adjustable rate first mortgage loan, enter the date of the first interest rate change, the frequency of interest rate changes, and the margin and index that will be used to calculate the new interest rate.



# Commitment Letter

## Page Two Sample

Use the numbers provided to locate the corresponding instructions on the next page.

- 7  Your ARM does not have an introductory discount or similar reduction from the index.
- 7  Your ARM does have an introductory discount or similar reduction from the index. The amount of the introductory discount or similar reduction from the index is \_\_\_\_\_%, and this introductory discount or similar reduction from the index expires on \_\_\_\_\_.

Additional information about your ARM loan is set forth in your ARM disclosures.

- 8  Your loan may be prepaid at any time without penalty.
- 9 Your lock-in expires on \_\_\_\_\_. If your loan does not fund (loan proceeds disbursed by the title company or closing agent) on or before this date, Lender will close your loan at the locked-in rate or at the market rate, whichever is higher at the time of closing/funding.

Please execute a copy of this letter where indicated and return to us. If not accepted as provided herein as evidenced by our receipt of an executed copy of this letter, this offer shall automatically expire seven (7) days from the above date on \_\_\_\_\_. Documents must be signed, notarized and fully executed on or before four (4) business days prior to \_\_\_\_\_ or this offer shall automatically expire without notice. All credit documents may have to be updated and the loan reviewed by the Underwriting Department.

- 10 CONDITIONS REQUIRED PRIOR TO CLOSING:

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

- 11 CONDITIONS REQUIRED PRIOR TO FUNDING:

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

We appreciate this opportunity to assist you in financing the above property. Should you have any question, please do not hesitate to contact \_\_\_\_\_ (name of contact person) at \_\_\_\_\_ (telephone number for contact person).

- 12 Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_

**This written loan agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.**

**There are no unwritten oral agreements between the parties.**

The foregoing terms and conditions are hereby ACCEPTED and AGREED. 13

14 

<b>X</b>	DATE	<b>X</b>	DATE
BORROWER 1 SIGNATURE		BORROWER 2 SIGNATURE	

14 

<b>X</b>	DATE	<b>X</b>	DATE
BORROWER 3 SIGNATURE		BORROWER 4 SIGNATURE	

## Commitment Letter

### Page Two Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

7. **ARM Discount Information.** For an adjustable interest rate loan, enter the introductory discount information, if applicable.
8. **Prepayment Penalty.** Check the checkbox if there is no penalty for prepayment on the mortgage loan.
9. **Expiration Dates.**
  - Enter the date the lock-in interest rate will expire.
  - Enter the date the terms of the Commitment Letter will expire.
  - Enter the date by which documents must be signed, executed, and notarized.
10. **Conditions Required Prior to Closing.** This section informs the borrower of the conditions that must be met prior to closing the mortgage loan.
11. **Conditions Required Prior to Funding.** This section informs the borrower of the conditions that must be met prior to funds being disbursed for the loan.
12. **Credit Union Representative Name and Phone Number.** Enter the contact information for the Credit Union representative.
13. **Texas Notice.** Notice for Texas borrowers.
14. **Signature(s) of Borrower(s).** These lines provide a place for the signature of the borrower(s) and the typed, printed or stamped name of the borrower(s).

# FEMA Standard Flood Zone Determination

For every loan which is secured by a building or mobile home, the Credit Union must use a Federal Emergency Management Agency (FEMA) Standard Flood Hazard Determination to document whether the secured property is, or will be, located in a special flood hazard area (SFHA).

## Document Description

<b>When used</b>	This document is used when either the Credit Union or a third party makes the flood hazard determination.
<b>Purpose</b>	It documents the status of real estate that will secure the loan with regard to areas determined to be flood hazard areas. For every loan made by a credit union which is secured by a building or mobile home, the Credit Union must use a standard Flood Hazard Determination document to determine whether the secured property is, or will be, located in a special flood hazard area (SFHA).
<b>How distributed</b>	A copy of the completed document must be retained by the Credit Union for the period of time the Credit Union owns the loan. (Copy may be electronic or hardcopy.)
<b>Document number</b>	EST88*
<b>Imprinting</b>	No imprinting available
<b>Number of pages</b>	One
<b>State specific versions</b>	None

\*Indicates version number

# FEMA Standard Flood Zone Determination

## Page One Sample

Use the numbers provided to locate the corresponding instructions on the next page.

DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY <b>STANDARD FLOOD HAZARD DETERMINATION</b>					O.M.B. No. 1660-0040 Expires December 31, 2011	
<b>1</b> SECTION I -- LOAN INFORMATION						
1. LENDER NAME AND ADDRESS			2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached)			
3. LENDER I.D. NO.		4. LOAN IDENTIFIER		5. AMOUNT OF FLOOD INSURANCE REQUIRED \$		
<b>2</b> SECTION II						
<b>A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION</b>						
1. NFIP Community Name		2. County(ies)		3. State	4. NFIP Community Number	
<b>B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME</b>						
1. NFIP Map Number or Community Panel Number (Community name, if not the same as "A")		2. NFIP Map Panel Effective/Revised Date	3. LOMA/LOMR <input type="checkbox"/> Yes _____ Date	4. Flood Zone	5. No NFIP Map	
<b>C. FEDERAL FLOOD INSURANCE AVAILABILITY</b> (Check all that apply)						
1. <input type="checkbox"/> Federal Flood insurance is available (community participates in NFIP). <input type="checkbox"/> Regular Program <input type="checkbox"/> Emergency Program of NFIP						
2. <input type="checkbox"/> Federal Flood insurance is not available because community is not participating in the NFIP.						
3. <input type="checkbox"/> Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA), Federal Flood insurance may not be available. CBRA/OPA designation date: _____						
<b>D. DETERMINATION</b>						
<b>IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO						
If yes, flood insurance is required by the Flood Disaster Protection Act of 1973. If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.						
<b>E. COMMENTS</b> (Optional): _____ _____						
This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and any other information needed to locate the building/mobile home on the NFIP map.						
<b>F. PREPARER'S INFORMATION</b>						
NAME, ADDRESS, AND TELEPHONE NUMBER (If other than Lender)				DATE OF DETERMINATION		
FEMA FORM 81-93, DEC 08						
EST886 (LASER)						

## FEMA Standard Flood Zone Determination

### Page One Instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

1. **Section I: Loan Information.** This section provides a place to record the following loan information
  - Credit union name and address
  - Collateral description
  - Credit union ID number
  - Loan identifier
  - Amount of flood insurance required
2. **Section II:** This section provides a place to record the following flood hazard information:
  - National Flood Insurance Program (NFIP) Community Jurisdiction including NFIP community name, county, state and NFIP community number
  - National Flood Insurance Program (NFIP) data affecting building/mobile home including NFIP map number, NFIP map panel effective/revised date, LOMA (Letter of Map Amendment)/LOMR (Letter of Map Revision), flood zone, and No NFIP Map
  - Federal Flood Insurance availability (Check all that apply)
  - Determination (Check “yes” or “no” indicating that the building/mobile home is or is not located in a special flood hazard area as indicated by zones containing the letters “A” or “V” on the NFIP map)
  - Comments (Optional)
  - Preparer's information including name, address, telephone number and the date of determination

# Flood Insurance Notice

The Flood Insurance Notice is used to notify the borrower that the property used to secure the business loan is located in a special flood hazard area. If the property is located in a community that participates in the National Flood Insurance Program (NFIP), the borrower must purchase flood insurance or provide proof of flood insurance (The borrower may have already had to purchase the flood insurance if they have a purchase money mortgage loan on the property.) prior to closing on the loan. If the property is located in a community which does not participate in the NFIP, the Credit Union will need to decide if it wants to proceed with the loan transaction.

## Document Description


<b>When used</b>	The Flood Insurance Notice is used when a determination has been made that the building or mobile home securing the loan is located in a special flood hazard area.
<b>Purpose</b>	The purpose of this notice is to communicate to the borrower that the property is located in a special flood hazard area. If the property is located in a community that participates in the NFIP, then the borrower must purchase flood insurance prior to closing the loan. The Credit Union may not close the loan until the borrower presents proof that flood insurance was purchased. If the property is located in a community which does not participate in the NFIP, the Credit Union may close the loan without flood insurance or cancel the transaction.
<b>How distributed</b>	A copy of this form must be given to the borrower and the loan servicer. (The servicer copy is only used if the servicer is not the Credit Union.) The notice must be given to the borrower within a reasonable time before closing. Ten days is considered reasonable but is not required. You must allow the borrower enough time to purchase the flood insurance before closing on the loan.
<b>Document number</b>	EST89*
<b>Imprinting</b>	This document allows an imprint of your credit union's name, address, phone number and logo.
<b>Number of pages</b>	Two (Page is repeated three times to provide multiple copies for borrower, credit union, and servicer)
<b>State specific versions</b>	None

\*Indicates version number

# Flood Insurance Notice

## Page One Sample

Use the numbers provided to locate the corresponding instructions on the next page.



### Flood Insurance Notice

---

1 LOAN NUMBERNAME OF SERVICER IF OTHER THAN CREDIT UNION

---

2 BORROWER(S) NAME(S) AND ADDRESS(ES):

---

PROPERTY ADDRESS:

---

### Notice of Special Flood Hazards and Availability of Federal Disaster Relief Assistance

We are giving you this notice to inform you that:

The building or mobile home securing the loan for which you have applied is or will be located in an area prone to high flood risks that we call a Special Flood Hazard Area (SFHA).

The area has been identified by the Federal Emergency Management Agency (FEMA) as an SFHA using the Flood Insurance Rate Map (FIRM) or the Flood Hazard Boundary Map (FHB) for the following community number: 2 \_\_\_\_\_ FIRMs are prepared by FEMA in cooperation with the applicable community to identify high flood risk and low-to-moderate flood risk areas. The SFHA in which your building or mobile home is or will be located has at least a one percent (1%) chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year. During the life of a 30-year mortgage loan, the risk of flooding in a SFHA is 26 percent.

Federal law allows a lender and borrower jointly to request the Administrator of FEMA to review the determination of whether the property securing the loan is located in an SFHA. If you would like to make such a request, please contact us for further information. Borrowers may also call a FEMA mapping specialist at (877) 336-2627 to discuss their concerns.

3 **PARTICIPATING COMMUNITIES**

Federal financial assistance, including FEMA disaster assistance, flood mitigation grants and federally backed mortgage lending is available in the NFIP participating communities. Mandatory flood insurance requirements are applicable to all Federal financial assistance. The mandatory flood insurance purchase requirements under section 102(b) of the Flood Disaster Protection Act of 1973 are applicable to Federally regulated lenders making loans in SFHAs. We will not make you the loan that you have applied for if you do not purchase flood insurance. If you fail to renew flood insurance on the property, federal law authorizes and requires us to purchase the flood insurance for you at your expense. The flood insurance must be maintained for the life of your loan.

- Flood insurance coverage under the NFIP may be purchased through an insurance agent who will obtain the policy either directly through the NFIP or through a Write Your Own (WYO) company that has agreed to write and service NFIP policies on behalf of FEMA. Flood insurance also may be available from private insurers that are not Federally backed.
- At a minimum, flood insurance purchased must cover the lowest of:
  - (1) the outstanding principal balance of the loan(s); or
  - (2) the maximum amount of coverage allowed for the type of property under the NFIP; or
  - (3) the full replacement cost value (RCV) of the building and/or contents securing the loan. The market value or land value on which the building is located has no bearing on the RCV of the building.
- Federal disaster relief assistance, the majority of which is in the form of a low-interest disaster assistance loan from the Small Business Administration (SBA), may be available for losses not covered by your flood insurance policy. Flood insurance requirements apply to recipients of Federal disaster assistance grants and SBA disaster assistance loans. If you are planning to build a structure or make repairs, contact the local community's chief executive official to determine building standards for structures within an SFHA.

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## Flood Insurance Notice

### Page One Instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

Note: After this document is completed, each of the multiple copies will be distributed to the corresponding party indicated at the bottom of each copy. (Credit Union, Borrower, Servicer)

1. **Record loan information.** This section provides space to record the following information regarding the borrower's loan.
  - Loan number
  - Name of servicer if other than credit union
  - Borrower's name and address
  - Property address
2. **Insert NFIP community name.** This blank provides space to insert the National Flood Insurance Program (NFIP) community name. (The name can be found on the Standard Flood Hazard Determination document under A1.)
3. **Check if property is in a Participating Community.** This blank is checked if the community is covered by NFIP. (Determination is indicated on the Standard Flood Hazard Determination document under C1.)

# Flood Insurance Notice

## Page Two Sample

Use the numbers provided to locate the corresponding instructions on the next page.

<b>4</b>	<b>NON-PARTICIPATING COMMUNITIES</b>						
	<ul style="list-style-type: none"><li>▪ The community in which the property securing the loan is located does not participate in the National Flood Insurance Program (NFIP). Federal flood insurance is not available. However, private flood insurance may be available on a limited basis in the SFHAs of non-participating communities. Federal financial assistance including disaster assistance grants or loans and flood mitigation grants are not available in SFHAs of non-participating communities. For example, if the non-participating community has been identified for at least one (1) year as containing an SFHA, properties located in the community will not be eligible for Federal disaster relief assistance in the event of a federally declared flood disaster.</li><li>▪ Conventional loans, loans that are not Federally backed can be made on buildings in the SFHAs of non-participating communities, if authorized by the regulatory authority of the lending institution. However, government guaranteed or insured loans (e.g., SBA, VA, and FHA loans) are not permitted to be made in non-participating communities, if secured by structures in SFHAs.</li></ul> <p>A non-participating community <i>can</i> join the NFIP -- contact your local chief executive official for additional information.</p>						
	<b>ACKNOWLEDGMENT</b>						
	I/We acknowledge receipt of this Notice.						
	<table border="0"><tr><td style="border: 1px solid black; padding: 2px;"><b>X</b></td><td style="border: 1px solid black; padding: 2px;"><b>X</b></td></tr><tr><td style="font-size: small;">BORROWER SIGNATURE</td><td style="font-size: small;">BORROWER SIGNATURE</td></tr><tr><td style="font-size: small;">DATE</td><td style="font-size: small;">DATE</td></tr></table>	<b>X</b>	<b>X</b>	BORROWER SIGNATURE	BORROWER SIGNATURE	DATE	DATE
<b>X</b>	<b>X</b>						
BORROWER SIGNATURE	BORROWER SIGNATURE						
DATE	DATE						
<b>5</b>	<table border="0"><tr><td style="border: 1px solid black; padding: 2px;"><b>X</b></td><td style="border: 1px solid black; padding: 2px;"><b>X</b></td></tr><tr><td style="font-size: small;">SERVICER SIGNATURE</td><td style="font-size: small;">CREDIT UNION OFFICIAL</td></tr><tr><td style="font-size: small;">DATE</td><td style="font-size: small;">DATE MAILED OR DELIVERED</td></tr></table>	<b>X</b>	<b>X</b>	SERVICER SIGNATURE	CREDIT UNION OFFICIAL	DATE	DATE MAILED OR DELIVERED
<b>X</b>	<b>X</b>						
SERVICER SIGNATURE	CREDIT UNION OFFICIAL						
DATE	DATE MAILED OR DELIVERED						
<small>© CUNA MUTUAL GROUP, 1997, 2000, 07, 11 ALL RIGHTS RESERVED</small>							
<b>CREDIT UNION COPY</b>							
<small>EST895-e</small>							

## Flood Insurance Notice

### Page Two Instructions

Instructions are given for each section of the document. Please refer to the corresponding number on the sample document to determine each section's relative position on the document.

4. **Check if property is not a Participating Community.** This blank is checked if the community does not participate in the NFIP. (Determination is indicated on the Standard Flood Hazard Determination document under C2.)
5. **Record signature(s).** This section provides blanks for the signatures of the borrower(s), servicer, and credit union official and the date of the document.

# Private Mortgage Insurance Disclosure

Private mortgage insurance (PMI) reimburses the lender for any loss that the lender might incur in the case that the borrower fails to make loan payments on time. Mortgage insurance is typically required by the secondary market for any non-government loan where the down payment made is less than 20% of the purchase price.

The lender submits an application for the insurance, which must be approved by the mortgage insurance company before the loan is underwritten and can close. The cost for the insurance will be paid by the borrower.

Congress enacted the Homeowners Protection Act of 1998 (HPA) to make sure that mortgage insurance is removed when equity reaches certain levels. Lenders are required to cancel PMI if the loan is in good standing when the loan to value ratio decreases to 78% of the purchase price, which is called “automatic termination.” Borrowers may request cancellation prior to the automatic termination date if the loan is in good standing and the equity has reached 20%, regardless of the original purchase price. HPA requires lenders to give borrowers an explanation of their rights to end mortgage insurance along with a copy of an amortization schedule at loan closing. HPA also requires annual notices to be sent. However, the LOANLINER Private Mortgage Insurance Disclosure is only given at loan closing. The Disclosure specifies the date on which cancellation can be requested and the automatic termination date which are both based on the initial amortization schedule.

## Document Description


<b>When used</b>	The Private Mortgage Insurance Disclosure is used when the lender requires the borrower to obtain mortgage insurance.
<b>Purpose</b>	The Private Mortgage Insurance Disclosure informs the borrower of the requirement to obtain mortgage insurance, the borrower’s right to cancel the mortgage insurance, and the conditions for cancelling or terminating the mortgage insurance.
<b>How distributed</b>	A copy is given to the borrower at loan closing along with a copy of the loan’s amortization schedule.
<b>Document number</b>	RM040* Fixed Rate RM041* Adjustable Rate
<b>Imprinting</b>	Optional imprinting of credit union name, address, telephone number, and logo.
<b>Number of pages</b>	Two
<b>State specific versions</b>	None

\*Indicates version number

# Private Mortgage Insurance Disclosure

## Page One Sample

The Private Mortgage Insurance Disclosure—Fixed Rate is used as a sample. The Private Mortgage Insurance Disclosure—Adjustable Rate is similar. Use the numbers provided to locate the corresponding instructions on the next page.



### Private Mortgage Insurance Disclosure--Fixed Rate

---

**1** BORROWER 1 NAME: \_\_\_\_\_ ACCOUNT NUMBER: \_\_\_\_\_  
BORROWER 2 NAME: \_\_\_\_\_  
BORROWER 3 NAME: \_\_\_\_\_  
BORROWER 4 NAME: \_\_\_\_\_  
PROPERTY ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

**FOR RESIDENTIAL MORTGAGE LOANS**

**IMPORTANT**  
**DO NOT SIGN THIS FORM UNTIL YOU CAREFULLY READ AND UNDERSTAND ITS CONTENTS**

Private mortgage insurance (commonly referred to as "PMI", "Mortgage Insurance," or "Mortgage Guaranty Insurance") is required as a condition of your mortgage loan. The purpose of PMI is to protect the lender and/or any future note holder against a possible loss in the event that you default under the terms of the loan. PMI also often allows lenders to grant mortgage loans to borrowers that require lower down payment amounts or for loans with higher loan-to-value ("LTV") ratios. The LTV ratio is calculated by comparing the original balance of your loan to the lesser of the sales price or the appraised value of the residential property securing the loan. At the same time, the cost of PMI premiums may increase the cost of your payments.

This disclosure explains your rights and responsibilities in connection with canceling PMI.

**2** In a number of places below, we refer to the "original value" of the real property that secures your loan. The "original value" means the lesser of the actual sale price of the real property (if this is a purchase money transaction) or its appraised value. The "original value" for purposes of your loan is \$\_\_\_\_\_.

**Your Right to Cancel PMI (Borrower-Initiated Cancellation).** Subject to certain conditions, you may request that the PMI coverage and premiums associated with your loan be canceled.

**Timing of Request.** You may request your loan servicer to cancel PMI on a cancellation date. Your cancellation date is the earlier to occur of the following:

- 1. Initial Amortization Schedule.** The cancellation date for your loan based on your initial amortization schedule is the date on which your loan is scheduled to reach 80% of the original value of the property securing the loan (80% LTV) if you make all scheduled payments on time. That date is \_\_\_\_\_ **3**
- 2. Actual Payments.** The cancellation date for your loan based on your actual payments is the date when the principal balance of your mortgage actually reaches 80% LTV. This date may occur before the cancellation date based on the initial amortization schedule if, for example, you are permitted to make prepayments of principal under your loan documents and you do so.

**Criteria for Cancellation.** Your request to cancel PMI will be granted if you meet certain conditions. The minimum criteria you must meet to cancel PMI include the following:

- 1.** You must notify your loan servicer in writing that you want to cancel the PMI. Your current loan servicer is:  

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- 2.** You must have a good payment history. A good payment history means that you have not:
  - a)** made a mortgage payment that was 60 days or longer past due during the 12-month period beginning 24 months before the date on which the mortgage loan reaches the cancellation date; or
  - b)** made a mortgage payment that was 30 days or longer past due during the 12-month period preceding the date on which your mortgage reaches the cancellation date.

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FM0400 (LASER)

## Private Mortgage Insurance Disclosure

### Page One Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

1. **Borrower's Name, Account Number, and Property Address.** Enter the borrower's name, account number, and the property address.
2. **Original Value of the Property.** Enter the property value used to determine the mortgage insurance requirements. The property value is the lesser of the contract sales price of the property or the appraised value of the property at the time the loan was closed.
3. **Cancellation Date.** Enter the date the borrower will have the right to request cancellation of the private mortgage insurance.
4. **Loan Servicer Information.** Enter the loan servicer contact information. The borrower must contact the loan servicer to request that the mortgage insurance be cancelled.

# Private Mortgage Insurance Disclosure

## Page Two Sample

Use the numbers provided to locate the corresponding instructions on the next page.

3. At the time of your request, you must provide evidence satisfactory to the loan servicer that the value of the real property that secures your loan has not fallen below its original value. Your loan servicer will notify you in writing of the evidence it will require after it receives your request to cancel PMI. The requirements may include, but are not limited to, a new appraisal of the real property, paid for by you. You may also be required to show that you have not allowed a junior or subordinate lien to encumber the equity that you have in the property.

**Your Right to Automatic Termination of PMI.** If you are current on your mortgage loan payments, the requirement for PMI will automatically terminate on \_\_\_\_\_ (5) ("automatic termination date"). If you are not current on your mortgage loan payments on the termination date, the requirement for private mortgage insurance will automatically terminate on the date after that date that you become current on your payments.

**Notice of Grounds Preventing Cancellation/Termination of PMI.** If your loan servicer determines that your mortgage does not meet the requirements for borrower-initiated cancellation or automatic termination, you will receive written notice of the grounds relied on in making the determination, including, as an example, the results of any appraisal used in making the determination.

**Notification Upon Cancellation or Termination.** Within 30 days after the date the PMI is canceled or terminated, your lender or loan servicer will notify you that the private mortgage insurance has been terminated and that you have no PMI in connection with your loan. In addition, you will no longer be obligated to pay further premiums, payments, or other fees in connection with the private mortgage insurance.

**Refund of Unearned PMI Premiums.** The lender or loan servicer must refund all unearned PMI premiums (if any) to you within 45 days after PMI has been canceled or terminated.

**Exempt Transactions.** Certain mortgage loans that have been classified as "high-risk" loans by Fannie Mae, Freddie Mac, or the lender may have different rules that control when or how a borrower may cancel PMI. Your loan is not a high-risk loan.

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### SIGNATURES

BY SIGNING BELOW, I/WE ACKNOWLEDGE THAT I/WE HAVE READ, RECEIVED, AND UNDERSTAND THIS DISCLOSURE.

\_\_\_\_\_  
BORROWER 1 SIGNATURE DATE

\_\_\_\_\_  
BORROWER 2 SIGNATURE DATE

\_\_\_\_\_  
BORROWER 3 SIGNATURE DATE

\_\_\_\_\_  
BORROWER 4 SIGNATURE DATE

## Private Mortgage Insurance Disclosure

### Page Two Instructions

Instructions are given for each section of the document. Refer to the corresponding number on the sample document on the facing page.

5. **Automatic Termination Date.** Enter the date mortgage insurance will automatically terminate. The lender is required to cancel mortgage insurance when the loan is scheduled to reach 78% of the purchase price, assuming the loan is in good standing.
6. **Signature(s) of Borrower(s).** These lines provide a place for the signature of the borrower(s) and the typed, printed or stamped name of the borrower(s).