

JSC Federal Credit Union
Home Equity Loan Application Cover Sheet

The following documents should be submitted at time of application:

- **Completed and signed application (If married both spouses need to sign)**
- **Proof of Income (W2s, check stubs, or two years of tax returns for self employed applicants)**
- **Proof of Hazard Insurance and Proof of Flood/Wind Insurance if applicable**
- **Copy of the Deed of Trust to the property**
- **Statement from mortgage company showing current balance**

Additional Considerations:

- **Property must be located in Harris or adjacent counties.**
- **There may only be one lien on a Homestead, be it a 1st Mortgage or a Home Equity.**
- **A Formal Appraisal maybe required, if so your loan officer will order this from a credit union approved appraiser.**

Home Equity Worksheet

Appraised value of your home

Multiplied by 80% (x 0.80)

X

Subtract any Liens (such as 1st Mortgage or Home Equity Loans)

-

Equals the amount you my qualify to borrow

=

Example: Home with a \$100k value, with \$50k left of mortgage
 $100k \times .8 (80\%) = 80k - 50k = \$30k$ (available to borrow)

Upon request, the Credit Union will provide you a copy of the appraisal used to determine the value of the collateral securing your real estate loan.

For questions or help please call (281)488-7070 or (800)940-0708
Please request to speak with one of the following:

Robin Pavalonis ext. 1143

Melinda Smith ext. 1160

Stacey Horton ext. 1145

1330 GEMINI · P.O. BOX 58346 · HOUSTON, TEXAS 77258 · (281)488-7070
www.jscfcu.org



Dear Member,

The following is a general outline of the procedure the Credit Union will follow in processing your loan. This process is designed to be as efficient as possible considering the many federal and state regulations governing this loan product.

Application:

To correctly submit an application, you will need to provide the Credit Union a signed original of the following:
(Provided in application package)

- A. Application
- B. Notice Concerning Extension of Credit
- C. Mortgage Servicing Disclosure
- D. Borrower Receipt of Appraisal- Acknowledgment and Waiver

To help expedite the process, please provide the following:

- A. Proof of Income
- B. Proof of Homeowners Insurance and Windstorm/Flood Insurance (if applicable)
- C. Deed of Trust

Prequalification:

Credit and income are reviewed *-can take up to three business days*

Once Pre-qualified, we will provide you with a Good Faith Estimate that outlines: rate, term, payment and closing costs.

Preapproval:

If you decide to proceed with the loan, you will sign and return the Good Faith Estimate acceptance letter. We then will proceed by ordering the following reports on your behalf: (fees apply)

- A. Property Report
- B. Flood Certification
- C. County Tax Appraisal (no charge)
A Formal Appraisal may also be required when:
 - a) When equity is insufficient
 - b) At the discretion of the Credit Union

Next, we will send you a second group of disclosures that must be signed and returned. These include:

- A. The FACT Act Notice
- B. The Standard Flood Hazard Determination Form
- C. Truth and Lending Early Disclosure Statement – *must be signed by applicant seven business days before closing*
- D. Borrower Acknowledgment of Receipt of Appraisal

Approval:

At this time you will be contacted to set an appointment for closing. The following document must be signed at least 24 hours before closing:

- A. Preliminary Settlement Statement (HUD-1A)
- B. Deposit/Prepaid Acknowledgment

Loan Closing:

At this point you and your loan officer have scheduled a closing appointment at a JSC Branch and a time convenient for you. (The State requires a minimum of 3 days before funding)

Documents that will be provided at your closing appointment:

- A. Note & Truth-in-Lending Disclosure
- B. Home Equity Deed of Trust
- C. Texas Mortgage Fraud Notice
- D. HUD-1 Settlement Statement
- E. Texas Mortgage Fraud Notice
- F. Loan Agreement Notice (*Loans over \$50k*)
- G. Notice of (3 day) Right to Cancel (*No funds can be disbursed, nor can work begin until 3 days has passed*)
- H. Acknowledgement of Fair Market Value
- I. Document Correction Agreement
- J. Acknowledgement of Closing Documents
- K. Home Equity Acknowledgement
- L. Affidavit of Debts and Liens
- M. Supplemental Mortgage Insurance Provisions
- N. Letter to Insurance Company
- O. Home Equity Compliance Agreement
- P. Check Vouchers
- Q. Occupancy Affidavit
- R. Notice of Right to Receive an Appraisal Report

For an explanation of these documents please refer to the **Explanation of Home Equity Closing Documents** included with this package.

After Closing:

After your loan closes, you have three business days to cancel your loan application. If after three business days you still wish to continue with the process you will return to the Credit Union the Statement of Non-cancellation (provided at closing) indicating that you do not wish to cancel your loan. Loan proceeds cannot be disbursed nor can work begin prior to the receipt of this notice by the Credit Union and the required three days has elapsed.

If you need further assistance, please contact a mortgage specialist at 281-488-7070.

Robin Pavalonis ext. 1143
Stacey Horton ext. 1145
Melinda Smith ext. 1160

Home Equity Loan FAQ's

Definition: A **home equity loan** is a type of loan in which the borrower uses the equity in their home as collateral. These loans are useful to finance major expenses such as home repairs, medical bills, debt consolidation, or college education. A home equity loan creates a lien against the borrower's house.

What is the maximum time that you can finance a Home Equity loan for?

The maximum term you can finance a Home Equity loan for is 15 years (First lien) and 10 years (second lien).

How is the interest rate determined?

The interest rate varies depending upon if the loan will become first or second lien, and how long the term of the loan is for i.e. 5yr, 10yr, and 15 yr.

How long does the process take to finalize a Home Equity loan?

Certain time restrictions are mandated by Texas Law and can not be shortened. The applicant must wait a minimum of 12 calendar days prior to the closing date, then an additional 3businessdays must pass before funds can be distributed. Therefore, the minimum closing time of this loan is 17 calendar days. However, the loan could take longer due to reasons outside the norm. (e.g., the timing of receipt of signed documents, legal disposition of the property, unpaid taxes, unreleased lien, timing of formal appraisal or title commitment)

Is a spouse required to be on the loan?

Texas is a community property state, therefore, a spouse and anyone who is listed on the deed of trust is required to be a joint applicant and must occupy the property.

Can a home owner have more than one Home Equity loan?

Texas Law allows one Home Equity loan at a time.

Does the property have to be homestead exempt?

Property used to secure a Texas Home Equity loan must be the borrower's homestead.

What are the closing costs associated with a Home Equity loan?

The standard cost for closing a Home Equity loan is \$203.00-\$217.00. Per State law, all fees associated with this loan cannot exceed 3% of the original principle loan amount.

The break-down of these fees are as follows:

- *Property report \$140.00.*
- *Flood certification \$15.00.*
- *Recording fees \$48.00 to \$62.00.*
- *Appraisal*
Most often we use the tax appraisal (no cost). However, if a formal appraisal is required the cost ranges from \$400.00- \$500.00.
- *Title commitment fees (determined by the title company)*

How much can be borrowed for a Home Equity loan?

The amount borrowed for a Home Equity loan is 80% of the appraised market value minus any existing liens on the property. For example, on a property with a fair market value of \$100,000, the maximum amount of debt against the property permitted by is \$80,000. Assuming there is an existing debt of \$30,000, the maximum amount of the Home Equity loan can be is \$50,000.

Can an existing appraisal be used to determine property value?

At the discretion of the Credit Union, an existing appraisal may be used, granted it is no older than one year and was prepared for another lender.

Is there a prepayment penalty on a Home Equity loan?

No. A lender may not charge a penalty to a borrower for paying all or a portion of an equity loan early.

Explanation of Home Equity Closing Documents

Note & Truth-in-Lending Disclosure

This is the first disclosure that will be reviewed at closing. This document is a review of the monthly payment, APR, Finance Charge, etc.

Home Equity Deed of Trust

This is the security instrument that is filed with the county to establish JSC Federal Credit Union's lien on the borrower's property.

HUD-1 Settlement Statement (Final)

This Statement goes over all the closing cost due by the member. This will contain the charge for a Property Report, Flood Determination, Recoding fees, and Appraisal if applicable.

Texas Mortgage Fraud Notice

This Notice states that the member did not knowingly or intentionally give any false or misleading information in order to obtain this loan. By signing they are stating that all statements regarding identity, employment, annual income, and property occupancy are true at the time of closing.

Loan Agreement Notice

The rights and obligations of borrower and lender are determined solely from the written loan agreement, and any prior oral agreements between borrower and lender are superseded by loan agreement. This notice pertains to loans in the amount of \$50k or more.

Right to Cancel

This notice provides the borrower the right to cancel their loan within three business days after closing. After the three-day right to cancel has expired, the borrower has the option to cancel the loan or proceed with funding.

Acknowledgement of Fair Market Value

This acknowledgement informs the member what value The Credit Union used in determining the qualifying amount of their loan, and where we obtained that information.

Document Correction Agreement

This agreement states that the borrower and JSCFCU will comply with any request to correct any inaccuracy, and or replace any lost documents.

Receipt of all Documents signed at closing

This is the borrower acknowledging that they have received a copy of all documents signed at closing.

Home Equity Lending Acknowledgement

The borrower will need to initial all four statements and sign at the bottom.

The first statement say that if they payoff any loans with JSC that are not secured by this property, that they are doing so voluntarily and we have not required them to do so.

The second statement says that the property described in the Home Equity Deed of Trust it the ONLY collateral for this loan.

The third statement states that the Credit Union has not offered tax advice or legal advice, and that the borrower should consult the accountant or tax adviser regarding such questions.

In last statement, the borrower is acknowledging that they understand there is no Credit Life or Disability insurance offered on this loan. If they wish to purchase such insurance it will be strictly at their own option and discretion from an outside source.

Affidavit of Debts and Liens

The borrower is swearing to the best of their knowledge the liens listed on this form are the only encumbrances on the property.

Letter to the Insurance Company

This form is submitted to the borrower's insurance agent to add JSC Federal Credit Union as the lien holder on the Homeowners and or Flood and Windstorm policies.

Supplemental Mortgage Insurance Provision

The borrower is stating that they will provide the Credit Union with evidence of insurance and maintain JSCFCU as loss payee. The borrower understands that if the fail to provide us with acceptable evidence of insurance the lender may purchase hazard insurance for the Lender's protection only at the borrower's expense.

Home Equity Compliance and Agreement

The compliance certificate will summarize several agreements made throughout application and closing, the first page reiterates borrower, borrower's address, Lender, Lender's address, Principal amount of the loan, Maturity date, and the full legal description.

Page 2

A.1. The borrower and Lender acknowledge and agree on the Fair Market Value of the property.

2. The Home Equity loan is not secured by any additional real or personal property.

- B.1.** The fair market value is an accurate estimate and not disputed by the borrower.
- 2.** Fair Market Value, the amount of the loan when to the outstanding principal balance of outstanding loans does not exceed 80%.
- 3.** We have not required them to pay any fees that exceed 3% of the original principal amount of their Home Equity Loan.
- 4.** The lien created by the Home Equity loan was voluntary and created with the consent of the borrower and borrower's spouse.
- 5.** The property is the only collateral for the Home Equity Loan.
- 6. (a) (b)** The property is the only collateral for the Home Equity Loan.
- 7. (a) (b)** The Home Equity loan is the only debt secured by the property, or the Home Equity is a subordinate lien to another debt.
- 8.** The closing of the Home Equity Loan did not occur less than twelve days after the Notice Concerning Extensions of Credit was signed.
- 9. (a)(b)** The closing did not occur before on business day after receiving the Preliminary HUD-1 Settlement Statement.
- 10.** It has been at least twelve months since the borrower has used their property to process a Home Equity Loan.
- 11.** The closing is taking place in the office of the Lender, an attorney, or a Title Company.
- 12.** We have not required the borrower to pay off any other debt unless listed here
- 13.** Borrower has not assigned and wages as security or signed a confession of judgment or POA to the Lender
- 14.** Borrower was not asked to sign any documents with blanks.
- 15.** Borrower has received a copy of all documents signed at closing.
- 16.** The Property is the borrowers Homestead, and is Homestead exempt.
- 17. (a) (b)** This Home Equity loan is a one time advance and not a Home Equity Line of Credit.
- 18.** We have told the borrower that they may cancel their loan without penalty or charge within three days after the Home Equity loan was made.
- 19.** Borrower acknowledges that all information is true and accurate.

Check Vouchers

By signing and indicating what account to draft the fees from the member is authorizing us to deduct any Closing cost from their account with JSC.

Home Equity - Home Improvement - Unimproved Property Application

1 NOTE AND COMPLETE

- Individual Credit: Complete Applicant section. Complete Co-Applicant, Spouse, (referred to as "Other") section: (1) about your spouse if you live in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI), or (2) if your spouse will use the Account. Please check box to indicate whom the information is about.
- Joint Credit: Each Applicant must individually complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box.

Amount Requested \$ _____ Purpose: _____

Type of Loan Request: Home Equity Home Improvement Unimproved Property

2 APPLICANT INFORMATION

APPLICANT

NAME (Last - First - Initial) _____

DRIVER'S LICENSE NUMBER/STATE _____

ACCOUNT NUMBER _____ SOCIAL SECURITY NUMBER _____

BIRTH DATE _____ HOME PHONE _____ BUSINESS PHONE/EXT. _____

PRESENT ADDRESS (Street - City - State - Zip) _____ LENGTH AT RESIDENCE _____

OWN RENT

PROPERTY ADDRESS IF DIFFERENT FROM PRESENT ADDRESS: (Street - City - State - Zip) _____

COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:
 MARRIED SEPARATED UNMARRIED (Single - Divorced - Widowed)

LIST AGES OF DEPENDENTS NOT LISTED BY OTHER APPLICANT (Exclude Self) _____

CO-APPLICANT **SPOUSE**
Referred to as "Other" Use "SAA" if information is "Same as Applicant"

NAME (Last - First - Initial) _____

DRIVER'S LICENSE NUMBER/STATE _____

ACCOUNT NUMBER _____ SOCIAL SECURITY NUMBER _____

BIRTH DATE _____ HOME PHONE _____ BUSINESS PHONE/EXT. _____

PRESENT ADDRESS (Street - City - State - Zip) _____ LENGTH AT RESIDENCE _____

OWN RENT

PROPERTY ADDRESS IF DIFFERENT FROM PRESENT ADDRESS: (Street - City - State - Zip) _____

COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE:
 MARRIED SEPARATED UNMARRIED (Single - Divorced - Widowed)

LIST AGES OF DEPENDENTS NOT LISTED BY APPLICANT (Exclude Self) _____

3 EMPLOYMENT INFORMATION

NAME AND ADDRESS OF EMPLOYER _____

YOUR TITLE/GRADE _____ SUPERVISOR'S NAME _____

START DATE _____ HOURS AT WORK _____ IF SELF EMPLOYED, TYPE OF BUSINESS _____

IF EMPLOYED IN CURRENT POSITION LESS THAN FIVE YEARS, COMPLETE PREVIOUS EMPLOYER NAME AND ADDRESS _____

STARTING DATE _____ ENDING DATE _____

IS DUTY STATION TRANSFER EXPECTED DURING NEXT YEAR YES NO

WHERE _____

ENDING/SEPARATION DATE _____

NAME AND ADDRESS OF EMPLOYER _____

YOUR TITLE/GRADE _____ SUPERVISOR'S NAME _____

START DATE _____ HOURS AT WORK _____ IF SELF EMPLOYED, TYPE OF BUSINESS _____

IF EMPLOYED IN CURRENT POSITION LESS THAN FIVE YEARS, COMPLETE PREVIOUS EMPLOYER NAME AND ADDRESS _____

STARTING DATE _____ ENDING DATE _____

IS DUTY STATION TRANSFER EXPECTED DURING NEXT YEAR YES NO

WHERE _____

ENDING/SEPARATION DATE _____

MILITARY

4 INCOME INFORMATION

NOTICE: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered.

EMPLOYMENT INCOME \$ _____ OTHER INCOME \$ _____

PER _____ PER _____

NET GROSS SOURCE _____

NOTICE: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered.

EMPLOYMENT INCOME \$ _____ OTHER INCOME \$ _____

PER _____ PER _____

NET GROSS SOURCE _____

5 FINANCIAL INFORMATION

These questions apply to both Applicant and Other.

IF A "YES" ANSWER IS GIVEN TO A QUESTION, EXPLAIN ON AN ATTACHED SHEET

DO YOU HAVE ANY OUTSTANDING JUDGMENTS? _____

HAVE YOU EVER FILED FOR BANKRUPTCY OR HAD A DEBT ADJUSTMENT PLAN CONFIRMED UNDER CHAPTER 13? _____

HAVE YOU HAD PROPERTY FORECLOSED UPON OR GIVEN A DEED IN LIEU OF FORECLOSURE IN THE LAST 7 YEARS? _____

ARE YOU A PARTY IN A LAWSUIT? _____

ARE YOU OTHER THAN A U.S. CITIZEN OR PERMANENT RESIDENT ALIEN? _____

IS YOUR INCOME LIKELY TO DECLINE IN THE NEXT TWO YEARS? _____

ARE YOU A CO-MAKER, CO-SIGNER OR GUARANTOR ON ANY LOAN NOT LISTED ON PAGE 2 - UNDER DEBT SECTION? _____

FOR WHOM (Name of Others Obligated on Loan): _____ TO WHOM (Name of Creditor): _____

APPLICANT		OTHER	
YES	NO	YES	NO

APPLICANT

OTHER (CO-APPLICANT, SPOUSE)

6A

**ASSETS/
PROPERTY**

Check box for Applicant/Other. List all assets and account number(s)-- Attach other sheets if necessary.

SHARE DRAFT OR CHECKING AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY	SHARE DRAFT OR CHECKING AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY		
SAVINGS AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY	SAVINGS AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY		
APPLICANT OTHER	LIST HOME AND ALL OTHER ITEMS YOU OWN AND LOCATION OF PROPERTY For Example: Auto, Boat, Stocks, Bonds, Cash, Household Goods, Real Estate, etc.	MARKET VALUE	PLEGGED AS COLLATERAL FOR ANOTHER LOAN		
HOME*				YES	NO
				YES	NO
			YES	NO	

6B*

This section must be completed for the property which will be given as security, if applicable.

LIST EVERY LIEN AGAINST YOUR HOME
A lien is a legal claim filed against property as security for payment of a debt. Liens include mortgages, deeds of trust, land contracts, judgments and past due taxes.

FIRST MORTGAGE HELD BY	OTHER LIENS (Describe)
PRESENT BALANCE \$	
IS THE PROPERTY DESCRIBED IN THIS SECTION: YOUR PRINCIPAL DWELLING? LISTED AS THE APPLICANT'S ADDRESS IN THE "APPLICANT INFORMATION" SECTION?	IS ANYONE OTHER THAN YOUR SPOUSE A PART OWNER OF YOUR HOME?
<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

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DEBTS

In addition to Rent/Mortgage list all other debts (for example, auto loans, credit cards, second mortgage, home assoc. dues, alimony, child support, child care, medical, utilities, auto insurance, IRS liabilities, etc.) Please use a separate line for each credit card and auto loan. Attach other sheets if necessary.

APPLICANT OTHER	CREDITOR NAME AND ADDRESS	ACCOUNT NUMBER	ORIGINAL BALANCE	PRESENT BALANCE	MONTHLY PAYMENT	PAST DUE
<input type="checkbox"/> RENT <input type="checkbox"/> MORTGAGE (Incl. Tax & Ins.)			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
			\$	\$	\$	
LIST ANY NAMES UNDER WHICH YOUR CREDIT REFERENCES AND CREDIT HISTORY CAN BE CHECKED						
TOTALS			\$	\$	\$	

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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.)

BORROWER I DO NOT WISH TO FURNISH THIS INFORMATION

CO-BORROWER I DO NOT WISH TO FURNISH THIS INFORMATION

Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American	Race: <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	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

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SIGNATURES

You promise that everything you have stated in this application is correct to the best of your knowledge and that the above information is a complete listing of all your debts and obligations. You authorize the credit union to obtain credit reports in connection with this application for credit and for any update, renewal or extension of the credit received. If you request, the credit union will tell you the name and address of any credit bureau from which it received a credit report on

you. You understand that it is a federal crime to willfully and deliberately provide incomplete or incorrect information on loan applications made to Federal Credit Unions or State Chartered Credit Unions insured by NCUA.

If there are any important changes, you will notify us in writing immediately. You also agree to notify us of any change in your name, address or employment within a reasonable time thereafter.

X
APPLICANT'S SIGNATURE _____ DATE _____

X
OTHER SIGNATURE _____ DATE _____

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CREDIT UNION INFORMATION

LOAN OFFICER ADVANCE APPROVED: YES NO COUNTER OFFER WILL BE MADE, IF ACCEPTED, ADVANCE APPROVED

CREDIT COMMITTEE OR OTHER OUTSIDE INFORMATION CONSIDERED: YES NO IF YES, ATTACH ADDITIONAL SHEET AND DESCRIBE

\$ _____ APPROVED LIMIT _____ DEBT RATIO

REFERRED TO/REASON(S) FOR REFERRAL: _____

DESCRIBE COUNTER OFFER: _____

SPECIFIC REASON(S) FOR REJECTION: _____

SIGNATURES: _____ DATE _____ _____ DATE _____

LOAN OFFICER X _____ DATE _____ X

CREDIT COMMITTEE X _____ DATE _____ X

ECOA NOTICE AND REASON FOR REJECTION SENT OR DELIVERED ON _____ (DATE) BY _____ (INITIALS)

NOTICE CONCERNING EXTENSIONS OF CREDIT
DEFINED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION:

SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION ALLOWS CERTAIN LOANS TO BE SECURED AGAINST THE EQUITY IN YOUR HOME. SUCH LOANS ARE COMMONLY KNOWN AS EQUITY LOANS. IF YOU DO NOT REPAY THE LOAN OR IF YOU FAIL TO MEET THE TERMS OF THE LOAN, THE LENDER MAY FORECLOSE AND SELL YOUR HOME. THE CONSTITUTION PROVIDES THAT:

- (A) THE LOAN MUST BE VOLUNTARILY CREATED WITH THE CONSENT OF EACH OWNER OF YOUR HOME AND EACH OWNER'S SPOUSE;
- (B) THE PRINCIPAL LOAN AMOUNT AT THE TIME THE LOAN IS MADE MUST NOT EXCEED AN AMOUNT THAT, WHEN ADDED TO THE PRINCIPAL BALANCES OF ALL OTHER LIENS AGAINST YOUR HOME, IS MORE THAN 80 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME;
- (C) THE LOAN MUST BE WITHOUT RECOURSE FOR PERSONAL LIABILITY AGAINST YOU AND YOUR SPOUSE UNLESS YOU OR YOUR SPOUSE OBTAINED THIS EXTENSION OF CREDIT BY ACTUAL FRAUD;
- (D) THE LIEN SECURING THE LOAN MAY BE FORECLOSED UPON ONLY WITH A COURT ORDER;
- (E) FEES AND CHARGES TO MAKE THE LOAN MAY NOT EXCEED 3 PERCENT OF THE LOAN AMOUNT;
- (F) THE LOAN MAY NOT BE AN OPEN-END ACCOUNT THAT MAY BE DEBITED FROM TIME TO TIME OR UNDER WHICH CREDIT MAY BE EXTENDED FROM TIME TO TIME UNLESS IT IS A HOME EQUITY LINE OF CREDIT;
- (G) YOU MAY PREPAY THE LOAN WITHOUT PENALTY OR CHARGE;
- (H) NO ADDITIONAL COLLATERAL MAY BE SECURITY OF THE LOAN;
- (I) THE LOAN MAY NOT BE SECURED BY HOMESTEAD PROPERTY THAT IS DESIGNATED FOR AGRICULTURAL USE AS OF THE DATE OF CLOSING, UNLESS THE AGRICULTURAL HOMESTEAD PROPERTY IS USED PRIMARILY FOR THE PRODUCTION OF MILK;
- (J) YOU ARE NOT REQUIRED TO REPAY THE LOAN EARLIER THAN AGREED SOLELY BECAUSE THE FAIR MARKET VALUE OF YOUR HOME DECREASES OR BECAUSE YOU DEFAULT ON ANOTHER LOAN THAT IS NOT SECURED BY YOUR HOME;
- (K) ONLY ONE LOAN DESCRIBED BY SECTION 50 (a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION MAY BE SECURED WITH YOUR HOME AT ANY GIVEN TIME;
- (L) THE LOAN MUST BE SCHEDULED TO BE REPAYED IN PAYMENTS THAT EQUAL OR EXCEED THE AMOUNT OF ACCURED INTEREST FOR EACH PAYMENT PERIOD;
- (M) THE LOAN MAY NOT CLOSE BEFORE 12 DAYS AFTER YOU SUBMIT A LOAN APPLICATION TO THE LENDER OR BEFORE 12 DAYS AFTER YOU RECEIVE THIS NOTICE, WHICHEVER DATE IS LATER; AND MAY NOT WITHOUT CONSENT CLOSE BEFORE ONE BUSINESS DAY AFTER THE DATE OF WHICH YOU RECEIVE A COPY OF YOUR LOAN APPLICATION IF NOT PREVIOUSLY PROVIDED AND A FINAL ITEMIZED DISCLOSURE OF THE ACTUAL FEES, POINTS, INTEREST, COSTS, AND CHARGES THAT WILL BE CHARGED AT CLOSING; AND IF YOUR HOME WAS SECURITY FOR THE SAME TYPE OF LOAN WITHIN THE PAST YEAR, A NEW LOAN SECURED BY THE SAME PROPERTY MAY NOT CLOSE BEFORE ONE YEAR HAS PASSED FROM THE CLOSING DATE OF THE OTHER LOAN, UNLESS ON OATH YOU REQUEST AN EARLIER CLOSING DUE TO A DECLARED STATE OF EMERGENCY;
- (N) THE LOAN MAY CLOSE ONLY AT THE OFFICE OF THE LENDER, TITLE COMPANY, OR AN ATTORNEY AT LAW;
- (O) THE LENDER MAY CHARGE ANY FIXED OR VARIABLE RATE OF INTEREST AUTHORIZED BY STATUTE;

(P) ONLY A LAWFULLY AUTHORIZED LENDER MAY MAKE LOANS DESCRIBED BY SECTION 50 (a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION;

(Q) LOANS DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION MUST:

- (1) NOT REQUIRE YOU TO APPLY THE PROCEEDS TO ANOTHER DEBT EXCEPT A DEBT THAT IS SECURED BY YOUR HOME OR OWED TO ANOTHER LENDER;
- (2) NOT REQUIRE THAT YOU ASSIGN WAGES AS SECURITY;
- (3) NOT REQUIRE THAT YOU EXECUTE INSTRUMENTS WHICH HAVE BLANKS FOR SUBSTANTIVE TERMS OF AGREEMENT LEFT TO BE FILLED IN;
- (4) NOT REQUIRED THAT YOU SIGN A CONFESSION OF JUDGEMENT OR POWER OF ATTORNEY TO ANOTHER PERSON TO CONFESS JUDGEMENT OR APPEAR IN A LEGAL PROCEEDING ON YOUR BEHALF;
- (5) PROVIDE THAT YOU RECEIVE A COPY OF ALL OF YOUR FINAL LOAN APPLICATION AND ALL EXECUTED DOCUMENTS YOU SIGN AT CLOSING;
- (6) PROVIDE THAT THE SECURITY INSTRUMENTS CONTAIN A DISCLOSURE THAT THIS LOAN IS A LOAN DEFINED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION;
- (7) PROVIDE THAT WHEN THE LOAN IS PAID IN FULL, THE LENDER WILL SIGN AND GIVE YOU A RELEASE OF LIEN OR AN ASSIGNMENT OF THE LIEN, WHICHEVER IS APPROPRIATE;
- (8) PROVIDE THAT YOU MAY, WITHIN 3 DAYS AFTER CLOSING, RESCIND THE LOAN WITHOUT PENALTY OR CHARGE;
- (9) PROVIDE THAT YOU AND THE LENDER ACKNOWLEDGE THE FAIR MARKET VALUE OF YOUR HOME ON THE DATE THE LOAN CLOSES; AND
- (10) PROVIDE THAT THE LENDER WILL FORFEIT ALL PRINCIPAL AND INTEREST IF THE LENDER FAILS TO COMPLY WITH THE LENDER'S OBLIGATIONS UNLESS THE LENDER CURES THE FAILURE TO COMPLY AS PROVIDED BY SECTION 50(a)(6)(Q)(x), ARTICLE XVI, OF THE TEXAS CONSTITUTION; AND

(R) IF THE LOAN IS A HOME EQUITY LINE OF CREDIT:

- (1) YOU MAY REQUEST ADVANCES, REPAY MONEY, AND REBORROW MONEY UNDER THE LINE OF CREDIT;
- (2) EACH ADVANCE UNDER THE LINE OF CREDIT MUST BE IN AN AMOUNT OF AT LEAST \$4000;
- (3) YOU MAY NOT USE A CREDIT CARD, DEBIT CARD, OR SIMILAR DEVICE, OR PREPRINTED CHECK THAT YOU DID NOT SOLICIT, TO OBTAIN ADVANCES UNDER THE LINE OF CREDIT;
- (4) ANY FEES THE LENDER CHARGES MAY BE CHARGED AND COLLECTED ONLY AT THE TIME THE LINE OF CREDIT IS ESTABLISHED AND THE LENDER MAY NOT CHARGE A FEE IN CONNECTION WITH ANY ADVANCE;
- (5) THE MAXIMUM PRINCIPAL AMOUNT THAT MAY BE EXTENDED, WHEN ADDED TO ALL OTHER DEBTS SECURED BY YOUR HOME, MAY NOT EXCEED 80 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME ON THE DATE THE LINE OF CREDIT IS ESTABLISHED;
- (6) IF THE PRINCIPAL BALANCE UNDER THE LINE OF CREDIT AT ANY TIME EXCEEDS 50 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME, AS DETERMINED ON THE DATE THE LINE OF CREDIT IS ESTABLISHED, YOU MAY NOT CONTINUE TO REQUEST ADVANCES UNDER THE LINE OF CREDIT UNTIL THE BALANCE IS LESS THAN 50 PERCENT OF THE FAIR MARKET VALUE; AND
- (7) THE LENDER MAY NOT UNILATERALLY AMEND THE TERMS OF THE LINE OF CREDIT.

THIS NOTICE IS ONLY A SUMMARY OF YOUR RIGHTS UNDER THE TEXAS CONSTITUTION. YOUR RIGHTS ARE GOVERNED BY SECTION 50, ARTICLE XVI, OF THE TEXAS CONSTITUTION, AND NOT BY THIS NOTICE.

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS NOTICE, GOOD FAITH ESTIMATE, LOAN APPLICATION, SERVICE PROVIDER LIST AND MORTGAGE SERVICING DISCLOSURE ON:

BORROWER

DATE

BORROWER

DATE



Date:

**SERVICING DISCLOSURE STATEMENT NOTICE TO FIRST
LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO
COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE
TRANSFERRED**

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer.

“Servicing” refers to collecting your principal, interest, and escrow payments, any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

Servicing Transfer Information

We may assign, sell, or transfer the servicing of your loan while the loan is outstanding.

Lender: JSC FEDERAL CREDIT UNION

Borrower(s):

Property Address:

Date:

Borrower Receipt of Appraisal – Acknowledgment and Waiver

You are entitled to receive a copy of the appraisal report concerning the property subject to your loan transaction. This must be provided to you at no additional cost and at least three (3) business days prior to the closing of your loan.

We will make every effort to provide a copy of the appraisal report to you as soon as it is available. However, to ensure that your loan closes at the scheduled time, you may waive the right to receive a copy of your appraisal report prior to the appraisal delivery deadline by signing the waiver provision below.

By signing below you agree to waive the right to receive a copy of the appraisal report 3 business days prior to closing, but reserve all other rights you have to receive the appraisal pursuant to the Equal Credit Opportunity Act.

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge receipt of this Disclosure and understand my rights to a copy of the appraisal report. I further acknowledge and agree to waive receipt of a copy of my appraisal report 3 business days prior to closing.

Borrower _____ Date _____

Borrower _____ Date _____

The undersigned borrower(s) hereby acknowledge that he/she/they would prefer to receive the appraisal report at least three (3) days prior to the closing of the loan. The undersigned borrower(s) also acknowledge that closing may be postponed in order to meet the 3 business day requirement.	
_____	_____
Borrower	Date
_____	_____
Borrower	Date

Home Equity Checklist

(To be completed at receipt of application)

Account Number:

Applicant's Name:

Joint Applicant's Name:

Home Number:

Work Number:

Cell Number:

Email address:

Property Address:

Home Equity Application

Branch Number:	Operator:
Application:	
Notice Concerning Ext of Cr:	
Mortgage Service Disclosure:	
Copies to Member:	
Checklist faxed to Main Branch:	
Term of Loan:	
Interest Rate:	
Total Loan Amount:	
Date Application Received at Branch:	

Comments: