

## **HOME EQUITY LOAN APPLICATION INSTRUCTIONS**

1. Return these disclosure documents along with:

\_\_\_ a. **IRS W-2 forms for the previous two years and recent paystubs.**

\_\_\_ b. **If self-employed, 4506T must be signed & returned.**

\_\_\_ c. **Copy of the year end mortgage statement showing the principal balance.**

\_\_\_ d. **Copies of statements of the accounts to be paid off, if applicable.**

\_\_\_ e. **If property deed is titled in a Trust, a non-refundable fee of \$250.00 is required at application made payable to PFCU.**

\_\_\_ f. **Copy of Deed to property**

\_\_\_ g. **Copy of Property Tax bill/bills & Copy of Recent Home Owners Insurance Bill.**

2. Please read and **sign** the attached disclosures and return with the completed package.

3. After the package is completed return to Branch office.

4. We recommend that you check with your tax advisor, or the IRS, regarding whether or not the interest on this loan is tax deductible.

# CLOSING COSTS

\* Home Equity LOC (Prime-10%) and 5 Year Interest Only HELOC: you must maintain at least 25% balance of the credit line or more during the first three years. If balance falls below the 25% at any time during this period or the line is closed within 3 years, you will be responsible for reimbursement of closing costs paid by Palisades Federal Credit Union. This loan must be paid automatically from a checking account with PFCU.

\*Fixed Rate Home Equity Loans: At closing, Lender will be paying closing costs. I agree that if I repay 75% or more of the loan principal within the first three years of the loan, I will be required to repay all the conditionally waived closing costs in the Truth in Lending Disclosure and/or HUD-1 Settlement Statement that were paid by Lender. I understand the Lender will give me written notice to reimburse it for the conditionally waived closing costs and I agree to pay the same within thirty (30) days of the date of notice. If I do not pay the requested reimbursement amount within thirty (30) days of the date of Lender's Notice to me, Lender may either debit any account I have with the Lender (except an IRA or other Retirement Account) for the reimbursement amount or add the reimbursement amount to the balance of the principal I owe on the Note

**Should you cancel the closing date on or less than three business days notice or appear at the closing and fail to close the loan, you will be charged an additional fee of 1% of the loan and/or line amount plus respective attorney fees to cover the cost of rescheduling the closing date and reprocess of the loan documents. Also you will be responsible for the title report and appraisal fee.**

When a PFCU Home Equity Loan is paid in full, there is a Satisfaction as follows:  
\$55.00 Satisfaction fee

**NOTE: Pre-Approval and Interest Rates will be valid 90 days from the date of this disclosure.**

Date: \_\_\_\_\_

X \_\_\_\_\_  
Borrower Signature

Interest Rate: \_\_\_\_\_ %

x \_\_\_\_\_  
Borrower Signature

x \_\_\_\_\_  
Credit Union Staff Signature

Interest Rates are subject to credit approval.

# HOME EQUITY APPLICATION AND WORKSHEET

**MEMBER #:** \_\_\_\_\_

**AMOUNT REQ.:** \$ \_\_\_\_\_

**PURPOSE:**  DEBT CONS.  HOME IMPR.  
 REFI NO CASH  REFI CASH OUT  
 OTHER \_\_\_\_\_

**NO. OF MONTHS:** \_\_\_\_\_

**PROPERTY WILL BE:**  
**TYPE:**  FIXED  VARIABLE  HELOC  AUTO EQUITY  OTHER \_\_\_\_\_ Stimulus Line of Credit  
 PRIMARY RESIDENCE  SECONDARY RESIDENCE  INVESTMENT RESIDENCE

**PROPERTY ADDRESS:** \_\_\_\_\_  
 (street) (city) (state) (zip) (county)

### INFORMATION ABOUT YOU

<b>NAME:</b> _____ (first) (middle) (last)  <b>CURRENT/MAILING ADDRESS:</b> _____ _____  <b>SOC SEC #:</b> _____ <b>D/O/B:</b> _____  <b>DAY PH:</b> _____ <b>EMAIL:</b> _____ <b>EVE PH:</b> _____ <b>OTHER:</b> _____	<b>EMPLOYMENT:</b> <input type="checkbox"/> EMPLOYED <input type="checkbox"/> RETIRED <input type="checkbox"/> OTHER <input type="checkbox"/> UNEMPLOYED WITH INCOME <input type="checkbox"/> SELF EMPLOYED <input type="checkbox"/> MILITARY <b>EMPLOYER'S NAME:</b> _____ <b>ADDRESS:</b> _____  <b>DATE OF HIRE:</b> _____ <b>GROSS INCOME*:</b> \$ _____ <input type="checkbox"/> HOURLY <b>OTHER INCOME*:</b> \$ _____ <input type="checkbox"/> WEEKLY <input type="checkbox"/> MONTHLY <input type="checkbox"/> ANNUAL <small>* Alimony, child support or separate maintenance payments need not be disclosed unless you wish to have them considered as a basis for repaying this obligation.</small>
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### CO-BORROWER INFORMATION

Will there be a co-borrower on the loan?  Yes  No (if no, please skip this section)

<b>NAME:</b> _____ (first) (middle) (last)  <b>CURRENT/MAILING ADDRESS:</b> _____ _____  <b>SOC SEC #:</b> _____ <b>D/O/B:</b> _____  <b>DAY PH:</b> _____ <b>EMAIL:</b> _____ <b>EVE PH:</b> _____ <b>OTHER:</b> _____	<b>EMPLOYMENT:</b> <input type="checkbox"/> EMPLOYED <input type="checkbox"/> RETIRED <input type="checkbox"/> OTHER <input type="checkbox"/> UNEMPLOYED WITH INCOME <input type="checkbox"/> SELF EMPLOYED <input type="checkbox"/> MILITARY <b>EMPLOYER'S NAME:</b> _____ <b>ADDRESS:</b> _____  <b>DATE OF HIRE:</b> _____ <b>GROSS INCOME*:</b> \$ _____ <input type="checkbox"/> HOURLY <b>OTHER INCOME*:</b> \$ _____ <input type="checkbox"/> WEEKLY <input type="checkbox"/> MONTHLY <input type="checkbox"/> ANNUAL <small>* Alimony, child support or separate maintenance payments need not be disclosed unless you wish to have them considered as a basis for repaying this obligation.</small>
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### OTHER INFORMATION

<b>ORIGINAL PURCHASE PRICE:</b> \$ _____ <b>DATE HOME PURCHASED:</b> _____  <b>EST. VALUE OF PROPERTY:</b> \$ _____ <b>CURRENT MTG. BAL.:</b> \$ _____ <b>INCL TAXES AND INSURANCE?</b> <input type="checkbox"/> YES <input type="checkbox"/> NO  <b>ANNUAL TAXES:</b> \$ _____ <b>ANNUAL INS.:</b> \$ _____  <input type="checkbox"/> 2nd MTG or <input type="checkbox"/> HELOC BAL: \$ _____ <b>1st Mortg Monthly Payment:</b> \$ _____ <b>2nd Mortg Monthly Payment:</b> \$ _____	<h4 style="text-align: center;">REGULATION B DISCLOSURE -- GOVERNMENT MONITORING</h4> <p>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 neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish the information and you have made this application in person, under federal regulations, the lender is required to note race or national origin and sex on the basis of visual observation or surname. If you do not wish to furnish the information, please initial the box below.</p> <table style="width:100%;"> <tr> <td style="width:50%;"> <b>BORROWER:</b> (initials) _____  <input type="checkbox"/> I DO NOT WISH TO FURNISH THIS INFORMATION:  <b>RACE:</b> <input type="checkbox"/> Hispanic or Latin American  <input type="checkbox"/> Not Hispanic or Latin American  <b>ETHNICITY:</b> <input type="checkbox"/> American Indian or Alaskan Native  <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian  <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White  <b>GENDER:</b> <input type="checkbox"/> Male <input type="checkbox"/> Female         </td> <td style="width:50%;"> <b>CO-BORROWER:</b> (initials) _____  <input type="checkbox"/> I DO NOT WISH TO FURNISH THIS INFORMATION:  <b>RACE:</b> <input type="checkbox"/> Hispanic or Latin American  <input type="checkbox"/> Not Hispanic or Latin American  <b>ETHNICITY:</b> <input type="checkbox"/> American Indian or Alaskan Native  <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian  <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White  <b>GENDER:</b> <input type="checkbox"/> Male <input type="checkbox"/> Female         </td> </tr> </table>	<b>BORROWER:</b> (initials) _____ <input type="checkbox"/> I DO NOT WISH TO FURNISH THIS INFORMATION: <b>RACE:</b> <input type="checkbox"/> Hispanic or Latin American <input type="checkbox"/> Not Hispanic or Latin American <b>ETHNICITY:</b> <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White <b>GENDER:</b> <input type="checkbox"/> Male <input type="checkbox"/> Female	<b>CO-BORROWER:</b> (initials) _____ <input type="checkbox"/> I DO NOT WISH TO FURNISH THIS INFORMATION: <b>RACE:</b> <input type="checkbox"/> Hispanic or Latin American <input type="checkbox"/> Not Hispanic or Latin American <b>ETHNICITY:</b> <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Black or African American <input type="checkbox"/> Asian <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White <b>GENDER:</b> <input type="checkbox"/> Male <input type="checkbox"/> Female
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BORROWER SIGNATURE _____ DATE _____	CO-BORROWER SIGNATURE _____ DATE _____
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**FOR PFCU USE ONLY:** \_\_\_\_\_ NO. OF MOS. \_\_\_\_\_ % INT. RATE \_\_\_\_\_ EXPIRES: \_\_\_\_\_ REFERRAL: \_\_\_\_\_

**CREDIT INVESTIGATION  
AND VERIFICATION  
AUTHORIZATION FORM**

TO: Any Credit Bureau, Consumer Reporting Agency or other Agency:

I/We hereby authorize and instruct you to release and provide Palisades Federal Credit Union any and all information, including employment, savings and checking accounts, loans, credit reports, status of real estate taxes, status of fire and hazard insurance, status of any and all senior liens, consumer reports with respect to my/our credit worthiness, credit standings, credit capacity or other information which they might request to evaluate my/our credit.

**Notification of Property in Flood Area**

Federal law requires that the lender, in this case, Palisades Federal Credit Union, notify prospective borrowers if their property is located in a flood zone and of where they can obtain flood insurance.

An appraisal of your property will determine if the property is located in a HUD designated flood area. If so, you will be notified by the credit union and federal law requires you must obtain flood insurance as a condition for granting this loan.

To obtain insurance, we suggest that you contact your insurance agent or call the agency listed below for possible assistance.

National Flood Insurance Program  
(516) 764-7779  
or  
1-800-638-6620

**Important Notice**

**Have you been known by any other name in the last ten (10) years?**

To all borrowers applying for a Home Equity Loan with the Palisades Federal Credit Union, please list below any other names that you have been known by in the last ten (10) years.

The purpose of this request is to assist the credit union in the search of title which will eliminate delays in the processing of your loan. If this does not apply to you, please indicate with "N/A".

Please print clearly.

Previous Name \_\_\_\_\_

Date in effect \_\_\_\_\_

Reason \_\_\_\_\_

Previous Name \_\_\_\_\_

Date in effect \_\_\_\_\_

Reason \_\_\_\_\_

Date: \_\_\_\_\_

X \_\_\_\_\_  
Signature

X \_\_\_\_\_  
Signature

# SERVICING DISCLOSURE

**PALISADES FEDERAL CREDIT UNION  
300 NORTH MIDDLETOWN ROAD  
PEARL RIVER, NEW YORK 10965-1244**

**NOTICE TO MORTGAGE LOAN APPLICANTS:** THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RIGHTS. READ THIS STATEMENT AND SIGN IT ONLY IF YOU UNDERSTAND ITS CONTENTS.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) 12U.S.C. §2601 et seq.) you have certain rights under that Federal law. This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. "Servicing " refers to collecting your principal, interest and escrow account payments. If your loan services changes, there are certain procedures that must be followed. This statement generally explains those procedures.

## TRANSFER PRACTICES AND REQUIREMENTS

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the date of the transfer. The new loan services must also send you notice within 15 days after the date of the transfer. The present services and new services may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of the transfer. Also, a notice of prospective transfer may be provided to you at settlement (when title to your new property is transferred to you) to satisfy these requirements. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you under certain limited circumstances, when your servicer is changed abruptly. This exception applies only if your servicer is fired for cause, is in bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by a Federal agency.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, the name, address, and toll-free or collect call telephone number of the new servicer, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new services to answer you questions about the transfer of servicing. During the 60-day period following the effective date for the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

## COMPLAINT RESOLUTION

Section 6 of RESPA (12 U.S.C. §2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan your servicer must provide you with a written acknowledgment within 20 business days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reasons for the request. Not later than 60 business days after receiving your request, your services must make any appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During this 60-day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

## DAMAGES AND COSTS

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of the Section.

## SERVICING TRANSFER ESTIMATES BY ORIGINAL LENDER

Then following is the best estimate of what will happen to the servicing of your mortgage loan:

- We do not service mortgage loans; or  We will not service this mortgage loan. We intend to assign, sell, or transfer the servicing of your loan to another party. You will be notified at settlement regarding the servicer.
- We are able to service this loan and presently intend to do so. However, that may change in the future. For all the loans that we make in the 12-month period after your loan is funded, we estimate that the chances that we will transfer the servicing of those loans is between:

0-25%     26-50%     51-75%     76-100%

This is only our best estimate and it is not binding.

Business conditions or other circumstances may affect our future transferring decisions.

- This is our record of transferring the servicing of the loans we have made in the past:

<u>YEAR</u>	<u>PERCENTAGE OF LOANS TRANSFERRED</u>
	(rounded to nearest quartile-0%, 25%,50%,75% or 100%)
2005	0%
2006	0%
2007	0%
2008	0%

The estimates in 2 and 3 above do not include transfers to affiliates or subsidiaries. If the servicing of your loans is transferred to an affiliate or subsidiary in the future, you will be notified in accordance with RESPA.

\_\_\_\_\_  
**Palisades Federal Credit Union**

\_\_\_\_\_  
DATE

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/We have read this disclosure form, and understand its contents, as evidenced by my/our signature(s) below.

\_\_\_\_\_  
APPLICANT'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
APPLICANT'S SIGNATURE

\_\_\_\_\_  
DATE

**Disclaimer of Tax Deductibility**

I/We, the undersigned borrower(s), hereby acknowledge that the Palisades Federal Credit Union has advised me/us that I/we are entering into a loan which is secured by a mortgage on my/our real property which **may** be tax deductible; however, the credit union makes no representation that any of the interest on this loan will, in fact, be deductible. "I/We should consult a tax advisor regarding the deductibility of interest and charges under the plan. In any case in which the extension of credit exceeds the fair market value(as defined under the Internal Revenue Code of 1986) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes."

**Acknowledgment of Receipt of Disclosure Documents**

The undersigned borrower(s) acknowledge receipt of the following documents from Palisades Federal Credit Union:

- Home Equity Loan Application Instructions
- Estimate of Costs Paid by Credit Union
- Late Charge Disclosure Notice
- Servicing Disclosure
- Initial Disclosure Statement for Adjustable Rate Mortgages (ARM)
- Consumer Handbook on Adjustable Rate Mortgages (ARM)
- When Your Home is on the Line: What You Should Know About Home Equity Lines of Credit (ARM)

x \_\_\_\_\_  
Borrower

Date \_\_\_\_\_

x \_\_\_\_\_  
Borrower

Date \_\_\_\_\_

## **RETAIN FOR YOUR RECORDS**

### **Initial Disclosure Statement for Adjustable Rate Mortgages (ARM)**

The Palisades Federal Credit Union offers two types of Adjustable Rate Mortgage Programs.

- A one year adjustable, with a maximum term of 15 years.
- A two year adjustable, with a maximum term of 20 years.

#### **The interest rate is based on an index rate, plus a margin.**

The credit union uses an index which is the weekly auction average rate on a one-year treasury bill, as made available by the Federal Reserve Board. The most recent rate available is called the current index. The index rate is published daily in the *Wall Street Journal*. For a 15 year adjustable rate mortgage, the margins would be one and three quarter percent (1 3/4%) plus the index rate. The 20 year adjustable is two percent (2.00%) plus the index rate. The interest rate will equal the index rate plus the margin.

#### **Change of interest rate**

Interest rate changes at present on credit union adjustable rate home equity loans are as follows:

- The adjustable rate mortgages both 15 and 20 year has a maximum of 2% interest rate change on each anniversary date of the loan.
- The lifetime rate change on both types of adjustable type loans will never go above or below 6% of the original rate.
- The interest rate adjusts on the anniversary date (which is the date of the closing) and each anniversary date thereafter, in accordance with the rate policy set forth.

#### **Changes in the monthly payment**

The payment will be based on the interest rate, loan balance and the term. On a one year adjustable, the monthly payment can change annually based on changes in the interest rate. On a two year adjustable the monthly payment can change every two years.

#### **Notices and adjustments**

The credit union will notify in writing no later than 5 days preceding the anniversary date that the interest rate is due to change on a variable rate home equity loan. After the interest rate has changed, the credit union will notify in writing of the following information:

1. The previous interest rate and the new interest rate.
2. The index rate.
3. The outstanding principal loan balance.
4. The new payment that is due after the interest rate adjustment.

## RETAIN FOR YOUR RECORDS

### ESTIMATE OF COSTS PAID BY CREDIT UNION

(The actual costs to close the mortgage that are paid by the credit union)

1. **ATTORNEY FEE \$375.00-\$475.00**  
The fee is based on the loan amount, county the property is located in and the availability of the attorney.
2. **MORTGAGE TAX:** (New York property only)  
Rockland County: 1.05% of the mortgage amount less \$30.00.  
Orange County: of .80% of the mortgage amount less \$30.00  
Example: Rockland County  
(\$30,000 Mortgage amount) X (1.05% of \$30,000) – (\$30.00) = \$285.00  
(Note: Mortgage tax may vary from county to county.)
3. **RECORDING FEES:**  
\$75.00 Mortgage recording  
\$20.00 Mortgage Satisfaction  
\$35.00 Preparation of Satisfaction  
\$150.00 Title Company Pickup Fee  
\$100.00 Subordination's

A mortgage satisfaction fee and title company pickup fee are only for those home equity loans in which the credit union is paying off a lien on real property. Each lien is considered a separate fee.

Subordination is the allowance by a prior lien holder to move or remain ahead in mortgage position. A separate disclosure will be furnished by the credit union if you loan warrants a subordination.

<b>4. TITLE SEARCH AND INSURANCE</b>			
<u>Loan amnt</u>	<u>Premium</u>	<u>Loan amnt</u>	<u>Premium</u>
\$10,000	\$172	110,000	\$595
20,000	220	120,000	626
30,000	269	130,000	658
40,000	318	140,000	690
50,000	366	150,000	722
60,000	405	160,000	753
70,000	445	170,000	784
80,000	484	180,000	816
90,000	523	190,000	848
100,000	563	200,000	880

### LATE CHARGE DISCLOSURE NOTICE

The Palisades Federal Credit union will assess a late charge of **5%** of the past due payment on the **16th** day after the weekly, semi-monthly, or monthly payment has become due. The late charge is assessed for every payment that is 15 days past due.

**Example:**

		<u>Late Charge</u>
Weekly payment	\$80.00	\$4.00
Semi-monthly payment	\$220.00	\$11.00
Monthly payment	\$560.00	\$28.00

All late charges will be satisfied by the next payment, which will affect the disbursed amounts to the principal and interest.

**Example:** (based on a monthly payment of \$360.00)

	<u>Applied to</u>		
	<u>Late Chg</u>	<u>Interest</u>	<u>Principal</u>
Payment on time:	\$0.00	\$180.00	\$180.00
Payment after 15 days:	18.00	\$180.00	\$162.00

As shown above, the late charge is satisfied first and causes the amount that would normally be applied to principal to be reduced. This slows down the loan amortization, meaning you will pay more to interest until you commence timely payments. Your loan term will not end on schedule, causing a balloon payment. The amount of the balloon payment will be determined upon your payment habits.