

Appendix A: Form 1003, Uniform Residential Loan Application

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower," as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower	Co-Borrower	I. TYPE OF MORTGAGE AND TERMS OF LOAN					
Mortgage Applied for: <input type="checkbox"/> VA <input type="checkbox"/> Conventional <input type="checkbox"/> Other (explain): <input type="checkbox"/> FHA <input type="checkbox"/> USDA/Rural <input type="checkbox"/> Housing Service		Agency Case Number	Lender Case Number				
Amount \$	Interest Rate %	No. of Months	Amortization Type: <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (explain): <input type="checkbox"/> GPM <input type="checkbox"/> ARM (type):				
II. PROPERTY INFORMATION AND PURPOSE OF LOAN							
Subject Property Address (street, city, state & ZIP)				No. of Units			
Legal Description of Subject Property (attach description if necessary)				Year Built			
Purpose of Loan <input type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain): <input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent		Property will be: <input type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment					
<i>Complete this line if construction or construction-permanent loan.</i>							
Year Lot Acquired	Original Cost \$	Amount Existing Liens \$	(a) Present Value of Lot \$	(b) Cost of Improvements \$	Total (a + b) \$ 0.00		
<i>Complete this line if this is a refinance loan.</i>							
Year Acquired	Original Cost \$	Amount Existing Liens \$	Purpose of Refinance	Describe Improvements	<input type="checkbox"/> made <input type="checkbox"/> to be made		
Title will be held in what Name(s)				Manner in which Title will be held	Estate will be held in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)		
Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain)							
Borrower			III. BORROWER INFORMATION		Co-Borrower		
Borrower's Name (include Jr. or Sr. if applicable)			Co-Borrower's Name (include Jr. or Sr. if applicable)				
Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School	Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School
<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Co-Borrower)		<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Borrower)	
Present Address (street, city, state, ZIP)		<input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.		Present Address (street, city, state, ZIP)		<input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.	
Mailing Address, if different from Present Address				Mailing Address, if different from Present Address			
<i>If residing at present address for less than two years, complete the following:</i>							
Former Address (street, city, state, ZIP)				Former Address (street, city, state, ZIP)			
<input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.				<input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.			
Borrower			IV. EMPLOYMENT INFORMATION		Co-Borrower		
Name & Address of Employer		<input type="checkbox"/> Self Employed		Name & Address of Employer		<input type="checkbox"/> Self Employed	
Yrs. on this job		Yrs. employed in this line of work/profession		Yrs. on this job		Yrs. employed in this line of work/profession	
Position/Title/Type of Business		Business Phone (incl. area code)		Position/Title/Type of Business		Business Phone (incl. area code)	
<i>If employed in current position for less than two years or if currently employed in more than one position, complete the following:</i>							

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

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION						
Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$	\$	\$ 0.00	Rent	\$	
Overtime			0.00	First Mortgage (P&I)		\$
Bonuses			0.00	Other Financing (P&I)		
Commissions			0.00	Hazard Insurance		
Dividends/Interest			0.00	Real Estate Taxes		
Net Rental Income			0.00	Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)			0.00	Homeowner Assn. Dues		
				Other:		
Total	\$ 0.00	\$ 0.00	\$ 0.00	Total	\$ 0.00	\$ 0.00

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

Describe Other Income

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

B/C	Monthly Amount
	\$

VI. ASSETS AND LIABILITIES

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

Completed Jointly Not Jointly

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

VI. ASSETS AND LIABILITIES (cont'd)

Name and address of Bank, S&L, or Credit Union		Name and address of Company		\$ Payment/Months	\$
Acct. no.	\$	Acct. no.			
Stocks & Bonds (Company name/ number & description)		Name and address of Company		\$ Payment/Months	\$
		Acct. no.			
Life insurance net cash value Face amount: \$		Name and address of Company		\$ Payment/Months	\$
Subtotal Liquid Assets	\$ 0.00				
Real estate owned (enter market value from schedule of real estate owned)	\$				
Vested interest in retirement fund	\$				
Net worth of business(es) owned (attach financial statement)	\$	Acct. no.			
Automobiles owned (make and year)	\$	Alimony/Child Support/Separate Maintenance Payments Owed to:		\$	
Other Assets (itemize)	\$	Job-Related Expense (child care, union dues, etc.)		\$	
		Total Monthly Payments		\$	
Total Assets a.	\$ 0.00	Net Worth (a minus b)	\$ 0.00	Total Liabilities b.	\$ 0.00

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

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
Totals		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$

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

Alternate Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION

VIII. DECLARATIONS

a. Purchase price	\$	<p>If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.</p> <p>a. Are there any outstanding judgments against you?</p> <p>b. Have you been declared bankrupt within the past 7 years?</p> <p>c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?</p> <p>d. Are you a party to a lawsuit?</p> <p>e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment?</p> <p>(This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name, and address of Lender, FHA or VA case number, if any, and reasons for the action.)</p>	<p>Borrower</p> <p>Yes No</p>		<p>Co-Borrower</p> <p>Yes No</p>	
b. Alterations, improvements, repairs			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
c. Land (if acquired separately)			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
d. Refinance (incl. debts to be paid off)			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
e. Estimated prepaid items			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
f. Estimated closing costs			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
g. PMI, MIP, Funding Fee			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
h. Discount (if Borrower will pay)			<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
i. Total costs (add items a through h)	0.00					

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS			
		Borrower		Co-Borrower	
		Yes	No	Yes	No
j.	Subordinate financing	If you answer "Yes" to any question a through I, please use continuation sheet for explanation.			
k.	Borrower's closing costs paid by Seller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l.	Other Credits (explain)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m.	Loan amount (exclude PMI, MIP, Funding Fee financed)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n.	PMI, MIP, Funding Fee financed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o.	Loan amount (add m & n)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
p.	Cash from/to Borrower (subtract j, k, l & o from i)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	0.00				

IX. ACKNOWLEDGEMENT AND AGREEMENT

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

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

Borrower's Signature X	Date	Co-Borrower's Signature X	Date
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X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

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

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

To be Completed by Loan Originator:
This information was provided:

In a face-to-face interview
 In a telephone interview
 By the applicant and submitted by fax or mail
 By the applicant and submitted via e-mail or the Internet

Loan Originator's Signature X	Date
Loan Originator's Name (print or type)	Loan Originator Identifier
Loan Origination Company's Name	Loan Origination Company Identifier
	Loan Originator's Phone Number (including area code)
	Loan Origination Company's Address

CONTINUATION SHEET/RESIDENTIAL LOAN APPLICATION

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

Borrower:
Co-Borrower:

Agency Case Number:
Lender Case Number:

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

Borrower's Signature X	Date	Co-Borrower's Signature X	Date
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Uniform Residential Loan Application

The most important form in the mortgage lending business is the Uniform Residential Loan Application, which is Freddie Mac Form 65 and Fannie Mae Form 1003. It is commonly referred to as a "1003," and is pronounced ten-oh-three. This same form can be used to apply for (among others):

- A mortgage for the purchase of an existing property;
- The refinancing of an existing mortgage;
- Construction-permanent loans;
- Conventional loans;
- FHA, VA and USDA/Rural (RHS) loans;
- Fixed rate mortgages;
- Loans of various maturities;
- Adjustable rate mortgages; and
- Graduated Payment Mortgages.

Form 1003 will form the basis for the lender's approval process, and will ask for the key information that the lender will need in order to determine whether or not to approve the loan. It contains ten primary sections:

- Section I: Type of Mortgage and Terms of Loan;
- Section II: Property Information and Purpose of Loan;
- Section III: Borrower Information;
- Section IV: Employment Information;
- Section V: Monthly Income and Combined Housing Expense Information;
- Section VI: Assets and Liabilities;
- Section VII: Details of Transaction;
- Section VIII: Declarations;
- Section IX: Acknowledgment and Agreement;
- Section X: Information for Government Monitoring Purposes.

Filling Out the 1003 Form

When first exposed to the Uniform Residential Loan Application, it may seem to be a very complex and intimidating form. Most mortgage loan originators will have access to a computer with software that will guide him or her in the completion of the form. What follows is an introductory explanation of how to complete the 1003 Form. It is not intended to cover all the various possible combinations of circumstances

that a MLO could encounter during the course of a career. The discussion will focus on the most typical type of application, where it is either a single applicant or a married couple whose financial dealings are primarily done in joint accounts.

It would probably be helpful to take a look at a blank copy of the 1003 Form, which can be downloaded at <https://www.efanniemae.com/sf/formsdocs/forms/pdf/sellingtrans/1003rev.pdf>. It would be helpful to print out that form and refer to it as you review the following instructions.

Keep in mind that the lender will reprint the complete application and have it re-signed as part of the settlement process when the transaction is completed. That final application will reflect any changes or new information that arose after the initial application was completed.

Introductory Paragraph

The 1003 Form opens with this paragraph:

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower," as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property or similar rights pursuant to applicable state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person who has community property or similar rights and the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower

Co-Borrower

In this paragraph, the applicant is asked to check a box if either of these statements applies:

- the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification; or
- the income or assets of the Borrower's spouse or other person who has community property or similar rights pursuant to applicable state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person who has community property or similar rights and the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

The statement that follows is where two applicants can indicate that they want to apply for the loan jointly by both applicants sign below the statement. If you have two unmarried adults whose assets and liabilities are not sufficiently joined so that they can meaningfully be combined into one application, it is better for privacy purposes to have them each complete separate applications.

Section I: Type of Mortgage and Terms of Loan

Section I asks for the following information:

I. TYPE OF MORTGAGE AND TERMS OF LOAN							
Mortgage Applied for:	<input type="checkbox"/> VA	<input type="checkbox"/> USDA/Rural Housing Service	<input type="checkbox"/> FHA	<input type="checkbox"/> Conventional	<input type="checkbox"/> Other (explain):	Agency Case Number	Lender Case Number
Amount \$	Interest Rate %	No. of Months	Amortization Type:	<input type="checkbox"/> Fixed Rate	<input type="checkbox"/> Other (explain):	<input type="checkbox"/> GPM	<input type="checkbox"/> ARM (type):

- The first section of this field asks for which type of loan the applicant is applying. Sometimes the MLO will not determine this information until later in the interview, when the income and expense information clarifies what type of loan will best fit the borrower's circumstances. As for the type of loan labeled "Other," that could be used for subprime mortgages, interest-only loans, stated income mortgages, and products with unusual features like payment options or negative amortization.
- The Agency Case Number is used for VA, FHA and RHS loans and is completed later when that number is assigned. For conventional loans, the field will be left blank.
- The Lender Case Number will be filled in when the number is assigned.

- The Loan Amount should be rounded to the nearest \$50.
- In the initial interview, the interest rate is usually the lender’s market rate at the time of the application, unless the borrower is immediately locking the interest rate.
- In the box labeled “No. of Months” you would enter the number of monthly payments. It would be the number of years for the loan times 12, so 360 months for a 30 year loan, 180 months for a 15 year loan, etc.
- The Amortization Type box asks for the type of amortization. The “Other” box can be used for interest-only loans, for instance.

Section II: Property Information and Purpose of Loan

Section II asks for the following information:

II. PROPERTY INFORMATION AND PURPOSE OF LOAN					
Subject Property Address (street, city, state & ZIP)					No. of Units
Legal Description of Subject Property (attach description if necessary)					Year Built
Purpose of Loan <input type="checkbox"/> Purchase <input type="checkbox"/> Refinance <input type="checkbox"/> Construction <input type="checkbox"/> Construction-Permanent <input type="checkbox"/> Other (explain):				Property will be: <input type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment	
Complete this line if construction or construction-permanent loan.					
Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a + b)
	\$	\$	\$	\$	\$
Complete this line if this is a refinance loan.					
Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	<input type="checkbox"/> made <input type="checkbox"/> to be made
	\$	\$			
Title will be held in what Name(s)			Manner in which Title will be held		Estate will be held in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)
Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain)					

Street Address: This is the address of the subject property, which is the property being purchased, constructed or refinanced.

No. of Units: For a single family residence, this would be 1.

Legal Description: This can often be obtained from the listing contract or the deed to the property.

Year Built: This is the year the property was first built, not subsequent remodelings.

Construction Loans: The boxes beneath this line are only filled in for construction loans. A construction-permanent loan is a loan that will cover the construction costs, but will also serve as the permanent financing.

Refinance Loans: The boxes below this line are only completed for refinance loans.

Title will be held in what Name(s): This shows who will own the property.

Manner in which Title will be held: In the case of co-ownership, this could be in the forms listed below. MLOs should be careful not to give legal advice, as there can be significant tax differences depending upon how title is held.

- **Joint Tenancy** – Two or more people hold title “with right of survivorship.” Each have equal ownership and upon the death of one joint tenant, title automatically passes to the surviving joint tenant(s). Title cannot be willed because of this automatic right of survivorship.
- **Tenancy in Common** – Two or more owners, not necessarily having equal ownership interest. Title can be willed to the other tenant in common or to anyone else. This interest can be sold separately from the other tenant in common.
- **Tenancy by the Entireties** – Some states allow this form of title for married couples. Title would pass to the surviving spouse upon the death of the first spouse.

Estate will be held in: This is almost always Fee Simple, which is the typical way people own property in the continental U.S. Leased land is found most often in Hawaii.

Source of Down Payment, Settlement Charges, and/or Subordinate Financing: If the down payment and closing costs are paid from the borrower’s own funds, they will need to be able to document this with bank statements. If they are a gift from a relative or other source, that must be disclosed. If they are being borrowed from someone else (subordinate financing), that must be disclosed.

Section III: Borrower Information

Section III asks for the following self-explanatory information:

Borrower				III. BORROWER INFORMATION				Co-Borrower			
Borrower's Name (include Jr. or Sr. if applicable)				Co-Borrower's Name (include Jr. or Sr. if applicable)							
Social Security Number	Home Phone (incl. Area code)	DOB (mm/dd/yyyy)	Yrs. School	Social Security Number	Home Phone (incl. Area code)	DOB (mm/dd/yyyy)	Yrs. School				
<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Co-Borrower) no. ages		<input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (include single, divorced, widowed)		Dependents (not listed by Borrower) no. ages					
Present Address <input type="checkbox"/> Own <input type="checkbox"/> Rent __No. Yrs. (street, city, state, ZIP)				Present Address <input type="checkbox"/> Own <input type="checkbox"/> Rent __No. Yrs. (street, city, state, ZIP)							
Mailing Address, if different from Present Address				Mailing Address, if different from Present Address							
<i>If residing at present address for less than two years, complete the following:</i>											
Former Address <input type="checkbox"/> Own <input type="checkbox"/> Rent __No. Yrs. (street, city, state, ZIP)				Former Address <input type="checkbox"/> Own <input type="checkbox"/> Rent __No. Yrs. (street, city, state, ZIP)							

Section IV: Employment Information

Section IV asks for the following self-explanatory information. For cases where the borrower (or co-borrower) have worked less than two years in their current position, or if they work more than one job, the three lines below the header are repeated on the following page so that information about the previous or other employers can be entered as well.

Borrower		IV. EMPLOYMENT INFORMATION		Co-Borrower	
Name & Address of Employer	<input type="checkbox"/> Self Employed	Yrs. on this job	Name & Address of Employer	<input type="checkbox"/> Self Employed	Yrs. on this job
		Yrs. employed in this line of work/profession			Yrs. employed in this line of work/profession
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)

Section V: Monthly Income and Combined Housing Expense Information

Section V asks for the following information:

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

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

Describe Other Income

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

B/C	Monthly Amount
	\$

The first part of this section, directly under the header, is divided into two sides. Income information is entered on the left side and housing expense information is entered on the right side.

Income Information

The **Base Employee Income** is the average income for the month. If the employee is paid on other than a monthly basis, the monthly income can be computed as follows:

- **Weekly paycheck:** $\text{Gross pay} \times 52 \div 12 = \text{monthly pay}$;
- **Bi-weekly paycheck:** $\text{Gross pay} \times 26 \div 12 = \text{monthly pay}$;
- **Semi-monthly paycheck:** $\text{Gross pay} \times 2 = \text{monthly pay}$;

Applicants should take special care to document **overtime** income. If overtime is paid on a regular basis, the same formulas shown above can be used to compute the monthly figure. If overtime is paid on an irregular or seasonal basis, the applicant can look at the overtime earnings for the past 12 months and divide that total by 12. If overtime is expected to continue, it could be helpful to get a letter from the applicant's employer stating that the level of overtime is likely to continue

Bonuses would only be likely to be considered by the lender if the applicant can show a history of receiving bonuses in the past and there is reason to believe that they are likely to continue.

Commissions would only be likely to be considered by the lender if the applicant can show a history of receiving commissions in the past and there is reason to believe that they are likely to continue. The applicant may have to provide copies of his or her tax return and the commissions will be offset by the work-related expenses shown on Schedule 2106, if any.

Dividends/Interest would be considered if the applicant has consistently received them in the past. This is usually done by totaling this income from the last two years of tax returns and dividing that total by 2. (If any of these investments will be sold to make the down payment, the impact on the dividend and interest income should be considered.)

Net rental income is usually gathered from the applicant's tax return and dividing the total by 12 (or the number of months the property was owned that year). The property generating this net income would have to be shown in Section VI. Many lenders will only consider 75% of this amount, in order to account for possible vacancies. Also, the difference between the cash flow and the net rental income for tax purposes may be considered, since depreciation on rental property is a non-cash expense.

Other Income would typically include Social Security or other retirement income. It can also include disability income payments and other items. Lenders generally require evidence that this other income would continue for at least three years in order to use that income for qualifying purposes. There are additional lines at the bottom of this section to report additional items of "other income." Be sure to read the note regarding receipt of alimony, child support and separate maintenance payments, since applicants are not required to report that income if they do not intend to use it for qualification purposes.

Expense Information

This section is set up for the most common occurrence, where one or more applicants are moving out of their current residence and will be living in the property that is the subject of the loan application. The applicant(s) must list the information for their current residence and also the information for the property they are intending to finance.

- Either the rent or the mortgage payment(s) of the current residence would be entered.
- The **Hazard Insurance** would be the annual homeowners insurance premium divided by 12.
- The **real estate taxes** would be the annual property taxes divided by 12.
- The section labeled **other** might include such items as renter's insurance.

The other items in this section are self-explanatory.

Section VI: Assets and Liabilities

Section VI asks for the following information:

VI. ASSETS AND LIABILITIES

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

Completed Jointly Not Jointly

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

It continues on the following page.

VI. ASSETS AND LIABILITIES (cont'd)

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

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

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

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

Alternate Name	Creditor Name	Account Number

As one can imagine, this portion of the form is one of the most time consuming and important sections of the form. It is important that it be filled out completely and accurately. Fortunately, many software programs will allow the mortgage loan originator to pull much of this information, particularly regarding the liabilities, directly from the applicant's credit report.

Most of the items listed in this section are fairly self-explanatory. Several items merit additional discussion, however:

- It has been mentioned previously that borrowers are not required to include alimony, child support or separate maintenance payments received as part of their income, if they wish to preserve their privacy. Note, however, that when the applicant is *paying* the alimony, child support or separate maintenance payments, it is not optional to report those payments.
- In company retirement plans, the employee often puts up deposits towards the plan, and the employer often does as well. The term *vested* refers to that portion of the account that the employee would keep even if his or her employment was terminated. The employee's contribution would immediately be vested, but the employer's contributions usually vest according to a schedule in the plan documents.
- In the "Other Assets" section, the borrower is not expected to list every conceivable asset, such as furniture and the like. It is intended for situations such as where an applicant has coin collections or other significant assets, particularly if the applicant plans to sell some or all of them to obtain the down payment.

Sections VII and VIII

Section VII (Details of Transaction) and Section VIII (Declarations) appear side by side, and are split across two pages. The first portion appears as follows:

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

The second portion continues as follows:

VII. DETAILS OF TRANSACTION (cont'd)		VIII. DECLARATIONS (cont'd)				
k.	Borrower's closing costs paid by Seller	Are you a co-maker or endorser on a note?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l.	Other Credits (explain)	-----				
		Are you a U.S. citizen?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Are you a permanent resident alien?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m.	Loan amount (exclude PMI, MIP, Funding Fee financed)	Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n.	PMI, MIP, Funding Fee financed	Have you had an ownership interest in property in the last three years? a	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o.	Loan amount (add m & n)	(1) What type of property did you own—principal residence (PR), second home (SH), or investment property (IP)?	_____	_____	_____	_____
		(2) How did you hold title to the home— by yourself (S), jointly with your spouse or jointly with another person (O)?	_____	_____	_____	_____
p.	Cash from/to Borrower (subtract j, k, l & o from i)					

Several points should be understood about Section VII (Details of Transaction)

- Lines 'a,' 'b' and 'c' apply to purchase transactions, while line 'd' applies to a refinance loan.
- In a purchase transaction only line 'a' (the purchase price) will be entered during the initial interview. The lender will complete that section later, based on the information it calculates and from the information in the copy of the purchase agreement that the borrower must provide to the lender. (Software programs will supplement this as well.)
- In a refinance transaction, the loan amount should include the balance required to pay off the previous loan, plus any closing costs which are to be financed, plus any amount needed to cover construction costs, if any.
- Line 'h' (discount) refers to any discount points the applicant pays to get a lower interest rate.
- Line 'j' (subordinate financing) refers to any situation where the borrower is financing the property with a first and second mortgage, such as an 80-20 loan, where the first mortgage is for 80% of the value and the second mortgage is for the remaining 20% of the value. Another structure would be an 80-10-10 situation, where the first mortgage is for 80% of the value, the second mortgage is for 10% of the value, and there is a down payment of 10% to cover the remainder.

Some points should also be understood about Section VIII (Declarations):

- The applicants are asked if they are U.S. citizens. A person does not need to be a U.S. citizen to obtain a mortgage loan, but must have a Social Security Number and must be a legal permanent or non-permanent resident alien.
- The question regarding resident alien status is done so that lenders can have more assurance that the borrower will not abandon the home and leave the country.
- The applicants are asked if the home will be a primary residence because lenders find that borrowers are less likely to default on a loan against a primary residence. Also, lenders often have special programs for first-time buyers. There are sometimes government programs that will assist first-time buyers as well.

Section IX: Acknowledgement and Agreement

Section IX appears as follows:

IX. ACKNOWLEDGMENT AND AGREEMENT

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

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

Borrower's Signature X	Date	Co-Borrower's Signature X	Date
----------------------------------	------	-------------------------------------	------

This is the primary signature section of the application. The applicants should read it carefully, as it obligates the applicants to the following statements:

1. The statements by the applicant are true and correct and if any of them are intentionally or negligently false, there can be civil and criminal penalties;
2. The loan will be secured by a trust deed or mortgage (which will make the property collateral for the loan);
3. The property will not be used for any illegal or prohibited purpose. (Violation of this provision could cause the lender to require the loan be repaid in full upon demand.)
4. All statements made by the borrower are for the purposes of obtaining a residential loan;
5. The property will be occupied as stated in this application. (If the applicant indicates that the house will be a primary residence, when in fact it is intended as a rental property, that would constitute fraud.)
6. The lender can keep printed and/or electronic copies of the application whether or not the loan is approved;
7. If there are significant changes to the information in the application which occur prior to the closing of the loan, the applicant is obligated to inform the lender;
8. The lender is given permission to report any delinquencies or default on the loan to credit reporting agencies;
9. The loan and its servicing can be sold by the lender;

10. Neither the lender nor any of its agents or employees have made any warranty to the applicant regarding the condition of the property; and
11. Electronic and fax transmissions of the application (and electronic signatures as provided by law) are permissible and binding.

Section X: Information for Government Monitoring Purposes

The final section of the application appears as follows:

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES		
<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 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.)</p>		
BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> 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 <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	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	
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	
To be Completed by Mortgage Loan Originator This information was provided: <input type="checkbox"/> In a face-to-face interview <input type="checkbox"/> In a telephone interview <input type="checkbox"/> By the applicant and submitted by fax or mail <input type="checkbox"/> By the applicant and submitted via e-mail or the Internet		
MLO's Signature	Date	
Mortgage Loan Originator's Name (print or type)	MLO Identifier	Mortgage Loan Originator's Phone Number (including area code)
Mortgage Loan Origination Company's Name	Mortgage Loan Origination Company Identifier	MLO Company's Address

It is significant to note that the applicants are not required to answer the questions about ethnicity, race or gender. However, as will be discussed elsewhere in this course, the Home Mortgage Disclosure Act requires lenders to report summary information about their approval rates by these different categories. If the applicants will not answer the question, the mortgage loan originator will answer them based on visual inspection.