

# Universal Credit Application

## (Consumer Residential Real Estate)

### 1. Type of Application

*(Check only one of the four checkboxes; and sign, if joint credit)*

- Individual Credit.** If checked, this is an *Application for Individual Credit* - relying solely on my income and assets.
- Individual Credit with Another.** If checked, this is an *Application for Individual Credit* - relying on my income and assets and on income and/or assets of another as a basis for loan qualification. *(Complete Applicant and Co-Applicant sections.)*
- Individual Credit (Community Property State).** If checked, this is an *Application for Individual Credit* - relying on my income or assets. The income or assets of my spouse (or other person), who has community property rights pursuant to state law, will not be used as a basis for loan qualification. However, his or her liabilities must be considered because my spouse (or other person) has community property rights pursuant to applicable law, and, as Applicant, I reside in a community property state, the property that will secure the loan is located in a community property state, or I am relying on other property located in a community property state as a basis for repayment of the loan. *(Complete Applicant and Co-Applicant sections.)*
- Joint Credit.** If checked, this is an *Application for Joint Credit*. By signing below, the Applicant and Co-Applicant agree that each of us intend to apply for joint credit. *(Complete Applicant and Co-Applicant sections.)*

\_\_\_\_\_  
Applicant for Joint Credit

\_\_\_\_\_  
Co-Applicant for Joint Credit

### 2. Type of Mortgage and Terms of Credit

<b>Mortgage Applied For</b>			<b>Lender's Case No.</b>
<input type="checkbox"/> Home Purchase or Refinancing <input type="checkbox"/> Home Equity Loan <input type="checkbox"/> Home Equity Line of Credit			
<b>Amount/Credit Limit</b>	<b>Interest Rate</b>	<b>No. of Months</b>	<b>Amortization Type</b>
\$ _____	% _____	_____	<input type="checkbox"/> Fixed <input type="checkbox"/> ARM <input type="checkbox"/> _____

### 3. Property Information and Purpose of Credit

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

**Applicant**

### 4. Applicant Information

**Co-Applicant**

Applicant's Name				Co-Applicant's Name			
Social Security No.	Primary Phone	Date of Birth		Social Security No.	Primary Phone	Date of Birth	
ID Type & No.	Issued By	Issue Date	Exp. Date	ID Type & No.	Issued By	Issue Date	Exp. Date
E-mail Address				E-mail Address			
<input type="checkbox"/> Married (including registered domestic partner or civil union) <input type="checkbox"/> Unmarried (including single, divorced, widowed)		Dependents (not listed by Co-Applicant) No. Ages _____		<input type="checkbox"/> Married (including registered domestic partner or civil union) <input type="checkbox"/> Unmarried (including single, divorced, widowed)		Dependents (not listed by Applicant) No. Ages _____	
Present Address <input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> _____ No. Yrs. _____				Present Address <input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> _____ No. Yrs. _____			
Mailing Address, if different from Present Address				Mailing Address, if different from Present Address			
Former Address <input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> _____ No. Yrs. _____				Former Address <input type="checkbox"/> Own <input type="checkbox"/> Rent <input type="checkbox"/> _____ No. Yrs. _____			
(Complete if less than 2 years ago)				(Complete if less than 2 years ago)			

Applicant		5. Employment Information		Co-Applicant	
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	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	Position/Title/Type of Business	Business Phone	Position/Title/Type of Business	Business Phone

**If employed in current position for less than two years or if currently employed in more than one position, complete the following:**

Name & Address of Employer <input type="checkbox"/> Self Employed	Dates (from - to)	Name & Address of Employer <input type="checkbox"/> Self Employed	Dates (from - to)	Name & Address of Employer <input type="checkbox"/> Self Employed	Dates (from - to)
	Business Phone		Business Phone		
Position/Title/Type of Business	Gross Monthly Income \$	Position/Title/Type of Business	Gross Monthly Income \$	Position/Title/Type of Business	Gross Monthly Income \$
Name & Address of Employer <input type="checkbox"/> Self Employed	Dates (from - to)	Name & Address of Employer <input type="checkbox"/> Self Employed	Dates (from - to)	Name & Address of Employer <input type="checkbox"/> Self Employed	Dates (from - to)
	Business Phone		Business Phone		
Position/Title/Type of Business	Gross Monthly Income \$	Position/Title/Type of Business	Gross Monthly Income \$	Position/Title/Type of Business	Gross Monthly Income \$

### 6. Monthly Income and Combined Housing Expense Information

Gross Monthly Income	Applicant	Co-Applicant	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income *	\$	\$	\$	Rent	\$	
Overtime				First Mortgage (P&I)		\$
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/Interest				Real Estate Taxes		
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "Describe Other Income," below)				Homeowner Assn. Dues		
				Other		
<b>Total</b>	\$	\$	\$	<b>Total</b>	\$	\$

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

A/C	Describe Other Income	Notice: Alimony, child support, or separate maintenance income need not be revealed if the Applicant (A) or Co-Applicant (C) does not choose to have it considered for repaying this loan.	Monthly Amount
			\$

### 7. Assets and Liabilities

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Applicants 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-Applicant section* was completed about a non-applicant spouse or other person, this Statement and supporting schedules must also be completed about that spouse or other person.

Completed  Jointly  Not Jointly

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

Property Address (enter S if sold, PS if pending sale, R if rental for income or O for other)	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

**7. Assets and Liabilities (Continued)**

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	Liabilities		Monthly Payment & Months Left to Pay	Unpaid Balance
Cash deposit toward purchase held by:	\$				
<b>List checking and savings accounts below</b>					
Name and address of Bank, S&L, or Credit Union		Name and address of Company		\$ Payment/ Months	\$
Acct. no.	\$	Acct. no.		<input type="checkbox"/> Revolving	
Name and address of Bank, S&L, or Credit Union		Name and address of Company		\$ Payment/ Months	\$
Acct. no.	\$	Acct. no.		<input type="checkbox"/> Revolving	
Name and address of Bank, S&L, or Credit Union		Name and address of Company		\$ Payment/ Months	\$
Acct. no.	\$	Acct. no.		<input type="checkbox"/> Revolving	
Name and address of Bank, S&L, or Credit Union		Name and address of Company		\$ Payment/ Months	\$
Acct. no.	\$	Acct. no.		<input type="checkbox"/> Revolving	
Stocks & Bonds (Company name/number & description)	\$	Name and address of Company		\$ Payment/ Months	\$
		Acct. no.		<input type="checkbox"/> Revolving	
Life Insurance net cash value Face amount: \$	\$	Name and address of Company		\$ Payment/ Months	\$
<b>Subtotal Liquid Assets</b>	\$				
Real estate owned (enter market value from schedule of real estate owned)	\$	Acct. no.		<input type="checkbox"/> Revolving	
Vested interest in retirement fund	\$	Name and address of Company		\$ Payment/ Months	\$
Net worth of business(es) owned (attach financial statement)	\$	Acct. no.		<input type="checkbox"/> Revolving	
Automobiles owned (make and year)	\$	Alimony/Child Support/Separate Maintenance Payments Owed to:		\$	
		Job-Related Expense (child care, union dues, etc.)		\$	
Other Assets (itemize)	\$				
		<b>Total Monthly Payments</b>		\$	
Other Assets (from continuation page, if any)	\$	Other Liabilities (from continuation page, if any)			\$
<b>Total Assets (a)</b>	\$	<b>Net Worth (a - b)</b>	▶	\$	<b>Total Liabilities (b)</b>
					\$

**8. Declarations**

	Applicant		Co-Applicant			Applicant		Co-Applicant	
	Yes	No	Yes	No		Yes	No	Yes	No
a. Are there any outstanding judgments against you?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Have you been declared bankrupt within the past 7 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. 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"/>					
d. Are you a party to a lawsuit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

### 8. Declarations (Continued)

	Applicant		Co-Applicant			Applicant		Co-Applicant	
	Yes	No	Yes	No		Yes	No	Yes	No
g. Are you obligated to pay alimony, child support, or separate maintenance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	m. Have you had an ownership interest in a property in the last three years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Is any part of the down payment borrowed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(1) What type of property did you own -- principal residence (PR), second home (SH), or investment property (IP)?	_____	_____	_____	_____
i. Are you a co-maker or endorser on a note?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) How did you hold title to the home -- solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	_____	_____	_____	_____
j. Are you a U.S. citizen?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	n. Are there any other equity loans on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Are you a permanent resident alien?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
l. Do you intend to occupy the property as your primary residence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

### 9. Continuation and Additional Information

**Instructions.** Use this section if you need more space to complete the Universal Credit Application. Mark "A" for Applicant and "C" for Co-Applicant. Use this space if you answered "Yes" to any of the questions in Section 8.

### 10. Federal Notices

**Important Applicant Information.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who applies for a loan or opens an account.

**What this means for you.** When you apply for a loan or open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license and/or other identifying documents. In some instances, we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and Federal law.

**False Statements.** By signing below, 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.*

### 11. State Notices

**California Residents.** Each applicant, if married, may apply for a separate account.

**Massachusetts Residents.** Under Massachusetts statute, Mass. Gen. L. ch. 184, Section 17B, you, the Applicant (and Co-Applicant) are entitled to know the following:

1. The responsibility of the attorney for the Mortgagee is to protect the interest of the Mortgagee.

2. Mortgagors may, at their own expense, engage an attorney of their own selection to represent their interests in the transaction.

**For Home Equity Line of Credit.** The current annual percentage rate for finance charges and, if the rate may vary, a statement to that effect and of the circumstances under which the rate may increase and whether there are any limitations on any such increase, as well as the effects of any such increase; the conditions under which a finance charge may be imposed, including the time period within which any credit extended may be repaid without incurring a finance charge; whether any annual fee is charged and the amount of any such fee; and whether any other charges or fees may be assessed, the purposes for which they are assessed, and the amounts of any such charges or fees.

**New York Residents.** A consumer report may be ordered in connection with your application. Upon your request, we will inform you whether or not a report was ordered. If a report was ordered, we will tell you the name and address of the consumer reporting agency that provided the report. Subsequent reports may be ordered or utilized in connection with an update, renewal or extension of credit for which you have applied.

**Ohio Residents.** The Ohio laws against discrimination require all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**Texas Residents.** The owner of the homestead is not required to apply the proceeds of the extension of credit to repay another debt except debt secured by the homestead or debt to another lender.

**Wisconsin Residents.** Notice to Married Applicants. No provision of any marital property agreement, unilateral statement under Wisc. Statutes §766.59 or a court decree under Wisc. Statutes §766.70 adversely affects the interest of the lender unless the lender, prior to the time the credit is granted, is furnished a copy of the agreement, statement or decree or has actual knowledge of the adverse provision when the obligation to the lender is incurred.

For married Wisconsin Residents. The credit being applied for, if granted, will be incurred in the interest of my marriage or family. I understand the creditor may be required by law to give notice of this transaction to my spouse.

### 12. 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;

## 12. Acknowledgment and Agreement (Continued)

(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.

**Acknowledgment.** 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.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
 Applicant's Signature Date Co-Applicant's Signature Date

## 13. Information for Government Monitoring Purposes

*Instruction to Lender: Cross out this entire section (or instruct the applicant to do so), if this information is not required by law for this type of credit.*

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 neither on the basis of this information, nor 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, the Lender is required to note the information on the basis of visual observation or surname. If you do not wish to furnish the information, please check the box below.

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

### For 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		
<b>Loan Originator's Signature</b>	<b>Date</b>	<b>Loan Originator's Phone Number</b>
<b>Loan Originator's Name</b>	<b>Loan Originator Identifier</b>	<b>Loan Origination Company's Address</b>
<b>Loan Origination Company's Name</b>	<b>Loan Origination Company Identifier</b>	

### Transaction Worksheet - Optional

a. Purchase price	\$	k. Applicant's closing costs paid by Seller	\$
b. Alterations, improvements, repairs		l. Other Credits (explain)	
c. Land (if acquired separately)			
d. Refinance (include debts to be paid off)		m. Loan amount (exclude PMI, MIP, Funding Fee financed)	
e. Estimated prepaid items			
f. Estimated closing costs		n. PMI, MIP, Funding Fee financed	
g. PMI, MIP, Funding Fee		o. Loan amount (add m & n)	
h. Discount (if Applicant will pay)			
<b>i. Total costs (add items a through h)</b>		p. Cash from/to Applicant (subtract j, k, l & o from i)	
j. Subordinate financing			

### For Lender's Use

<b>Lender's Initial Lien Position</b> <input type="checkbox"/> First Lien <input type="checkbox"/> Second Lien <input type="checkbox"/> Subordinate Lien	<b>First Lien Holder's Name &amp; Address (if any)</b>  <b>Loan No.</b>	<b>Second Lien Holder's Name &amp; Address (if any)</b>  <b>Loan No.</b>	
<b>Date Application Received</b>	<b>Received By</b>	<b>Amount Requested</b>	
<b>Decision</b> <input type="checkbox"/> Approved <input type="checkbox"/> Denied	<b>Decision Date</b>	<b>Decision By</b>	
<b>HMDA Reportable</b> <input type="checkbox"/> Yes	<b>Amount Approved</b>	<b>Initial Advance (if applicable)</b>	<b>Funding Date</b>
<b>Refinancing</b> <input type="checkbox"/> Yes <input type="checkbox"/> Cash Out	<b>Rescindable</b> <input type="checkbox"/> Yes	<b>Early Disclosures Given</b> <input type="checkbox"/> Yes, on	<b>High Cost Mortgage</b> <input type="checkbox"/> Yes <b>High Priced Mortgage</b> <input type="checkbox"/> Yes

**IMPORTANT INFORMATION ABOUT  
WATERTOWN SAVINGS BANK'S  
HOME EQUITY LINE OF CREDIT**

This Disclosure contains important information about the Home Equity Line of Credit (the "**Credit Line**") at Watertown Savings Bank (the "**Bank**"). You should read it carefully and keep a copy for your records.

1. **Availability of Terms.** All of the terms described below are subject to change. If these terms change (other than the annual percentage rate) and you decide, as a result, not to enter into an Agreement with the Bank, you are entitled to a refund of any fees that you paid in connection with your application.

2. **Security Interest.** We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your Agreement with us.

3. **Possible Actions.** We can terminate your credit account and require you to pay us the entire outstanding balance in one payment if: (a) you engage in fraud or material misrepresentation in connection with the Credit Line, (b) you do not meet the repayment terms of the Credit Line, or (c) your action or inaction adversely affects the property for the Credit Line or our security interest in the property.

We can refuse to make additional extensions of credit or reduce your credit limit if: (d) the value of the real property securing the Credit Line declines significantly below its appraised value for purposes of the Credit Line, (e) we reasonably believe that you will not be able to meet the repayment obligations due to a material change in your financial circumstances, (f) you are in default of a material obligation of the Credit Line, (g) government action prevents us from imposing the annual percentage rate provided for in your Agreement with us or impairs our security interest such that the value of the interest is less than 120% of the Credit Line, (h) a government action prevents us from imposing the annual percentage rate provided for in your Agreement with us or impairs our security interest such that the value of the interest is less than 120% of the Credit Line, (h) a government authority has notified us that continued advances would constitute an unsafe business practice, or (i) we are entitled to terminate your Credit Line and to demand immediate payment in full under the terms of your Agreement with us, but have decided to take, temporarily, the alternative of prohibiting additional advances or of reducing the maximum credit limit.

We will provide you, upon your request, a list of categories of contract obligations that we consider "material obligations" as mentioned in subsection (f) above.

Generally, the terms of the Credit Line may not be changed except upon the mutual written consent of the Bank and you. However, we may change the terms of your Credit Line if the change is insignificant or if it is beneficial to you. We may also prohibit you from receiving additional advances or reduce your credit limit during any period in which the maximum annual percentage rate for your Credit Line is reached.

4. **The term "finance charge" is the dollar amount that the loan will cost you and is intended to be synonymous with the word interest as used in this disclosure.**

5. **Minimum Payment Requirements.** The term of the Credit Line for which you can obtain advances of credit, the "Draw Period", is the same as the overall term of the Credit Line and will depend upon the number of billing cycles agreed upon by you and the Bank under the payment plan described below. However, in no event will the term of the Credit Line exceed twenty years.

Your payments will be due monthly and will include all interest then due on the principal balance, together with a principal payment to be calculated by dividing the loan at the end of the billing cycle by the number of billing cycles in the term of your Credit Line. However, the Bank will require a minimum payment of at least \$200.00 each billing cycle. If the interest and principal balance outstanding at the end of the billing cycle is less than \$200.00, you must make a minimum payment of the entire outstanding balance.

The amount of interest included in each payment will be all of the interest owing as of the time the billing statement is prepared. The interest is computed by applying the daily periodic rate to the average daily balance and multiplying the result times the number of days in the billing cycle. The daily periodic rate is the applicable loan interest rate (annual percentage rate) in effect for that month divided by 365. Payments are credited first to interest, second to principal, and third to credit life insurance if you have purchased such insurance, and finally to late charges.

The term of your Credit line may be between five and twenty years. As a result, you will be required to repay the entire principal balance and any accrued interest then owing by the end of the Credit Line term agreed upon by you and the Bank.

Under most circumstances, the minimum payments will not repay the balance that is outstanding on your Credit Line by the end of the Credit Line term agreed upon by you and the Bank. You will then be required to pay the entire balance in a single payment.

**THE TERM OF YOUR CREDIT LINE WILL BE DETERMINED BY YOU AND THE BANK. BECAUSE OF THE "REVOLVING" NATURE OF YOUR CREDIT LINE, IN ADDITION TO YOUR MONTHLY PAYMENTS DESCRIBED IN THIS DOCUMENT, YOU WILL BE REQUIRED TO REPAY THE ENTIRE PRINCIPAL BALANCE OWING AT THE END OF YOUR CREDIT LINE TERM PLUS ANY ACCRUED INTEREST.**

**THE BANK HAS NO OBLIGATION TO REFINANCE THIS CREDIT LINE AT THE END OF YOUR CREDIT LINE TERM. THEREFORE, YOU MAY BE REQUIRED TO REPAY THE BALANCE OF YOUR CREDIT LINE OUT OF ASSETS YOU OWN OR YOU MAY HAVE TO FIND ANOTHER LENDER WILLING TO REFINANCE THAT BALANCE.**

**ASSUMING THIS BANK OR ANOTHER LENDER REFINANCES THE BALANCE AT MATURITY, YOU WILL PROBABLY BE CHARGED INTEREST AT MARKET RATES PREVAILING AT THAT TIME AND SUCH RATES MAY BE HIGHER THAN THE INTEREST RATE ON THIS CREDIT LINE. YOU MAY ALSO HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW CREDIT LINE MORTGAGE.**

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SEE REVERSE SIDE FOR ADDITIONAL DISCLOSURES

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Signature

Date

Signature

Date

6. **Minimum Payment Example.** If you took a single \$10,000.00 advance on the first day of your Credit Line, assuming that you did not purchase credit life insurance and assuming a fifteen year loan term and a ANNUAL PERCENTAGE RATE of 3.99% (index + margin) “reflecting the minimum rate limitation” it would take 4 years and seven months (55 billing cycles) to pay off the advance if you made only the minimum monthly payments. During that period, you would make 54 minimum payments of \$200.00 and a final payment of \$154.86.

7. **Fees and Charges.** To open and maintain a line of credit, you must pay certain fees to third parties. These fees generally range from \$384.00 to \$721.00, depending upon the amount of your credit limit and the location of the property securing your Credit Line. In addition, we require that you obtain property insurance on the property securing your Credit Line.

Upon request, we will provide you with a more detailed itemization of the fees you will have to pay third parties.

The cost of title insurance and the amount of the mortgage recording tax shall be based on the maximum credit limit whether or not that amount is advanced.

8. **Minimum Draw Requirement and Credit Limit.** The minimum credit advance that you can receive is \$500.00. The minimum credit limit available is \$15,000.00.

9. **Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges for the Credit Line.

10. **Variable Rate Feature.** The Credit Line has a variable rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The annual percentage rate includes only interest and not other costs.

Your initial percentage rate will be fixed for the first thirty-six complete billing cycles and will be based on market conditions at the time of closing. Beginning with the thirty-seventh billing cycle, the annual percentage rate will be based on the value of an index. The index is the "Prime Rate" as published in the *Wall Street Journal*. When more than one Prime Rate may be published in any edition, the index will be the highest of the Prime Rates set forth. To determine the annual percentage rate that will apply to your Credit Line, we add a margin to the value of the index on the last Bank business day prior to the start of the billing cycle.

Ask us for the current index value, margin, initial rate premium or discount, and annual percentage rate. After you open a Credit Line, rate information will be provided on periodic statements that we send you.

11. **Rate Changes.** The annual percentage rate will be fixed for the first thirty-six complete billing cycles. Beginning with the thirty-seventh billing cycle, the annual percentage rate may change each billing cycle. Billing cycles run approximately from the third Saturday of one month to the third Saturday of the next month. The minimum ANNUAL PERCENTAGE RATE that can apply during the term of the Credit Line is 3.99% and the maximum ANNUAL PERCENTAGE RATE that can apply during the term of the Credit Line is 14.90%. Apart from this rate “floor” and rate “cap”, there is no limit on the amount by which the rate can change during any one-monthly period beginning with the thirty-seventh billing cycle. The minimum rate or the maximum rate can be reached in the thirty-seventh billing cycle of your Credit Line.

12. **Minimum Rate and Maximum Rate and Payment Example.** If you had an outstanding balance \$10,000.00 at the beginning of your loan term, assuming a fifteen year loan term, the minimum monthly payment at the minimum ANNUAL PERCENTAGE RATE of 3.99% and at the maximum ANNUAL PERCENTAGE RATE OF 14.90% would be \$200.00. This amount reflects the operation of the minimum payment amount of \$200.00. Any amounts included in the minimum payment amount which are in excess of accrued interest, principal and credit life insurance premiums, if purchased, for the current month will be credited directly to principal.

13. **Historical Example.** The following table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000.00 cash advance would have changed based on changes in the index over the past fifteen years. The index values for the Prime Rate are from January of each year. While only one payment amount per year is shown, payments would have varied during each year.

14. **No closing cost option.** If you select the no closing cost option and this loan is terminated for any reason within three (3) years of the date of loan closing, borrowers agree to reimburse Lender for the total cost of these fees which were paid by Lender in connection with this loan. These fees will be payable, in full, upon demand by the Lender.

The table assumes that (a) no additional credit advances were taken, (b) you did not purchase credit life or disability insurance, (c) only the minimum monthly payment was made, and (d) the annual percentage rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

<u>YEAR</u>	<u>INDEX(%)</u>	<u>MARGIN+</u>	<u>APR</u>	<u>PAYMENT</u>
1998.....	8.50	.00	3.99	200.00(*)
1999.....	7.75	.00	3.99	
2000.....	8.50	.00	3.99	
2001.....	9.50	.00	9.50	
2002.....	4.75	.00	4.75	
2003.....	4.25	.00	3.99	
2004.....	4.00	.00	3.99	
2005.....	5.75	.00	5.75	
2006.....	7.25	.00	7.25	
2007.....	8.25	.00	8.25	
2008.....	7.25	.00	7.25	
2009.....	3.25	.00	3.99#	
2010.....	3.25	.00	3.99#	
2011.....	3.25	.00	3.99#	
2012.....	3.25	.00	3.99#	
2013.....	3.25	.00	3.99#	

- + This is a margin we have used recently.
- ° This rate reflects the 14.9% maximum rate limitation.
- \* This reflects a minimum payment of \$200.00.
- # This rate reflects the 3.99% minimum rate limitation.

**YOU SHOULD CHECK WITH YOUR LEGAL ADVISOR AND WITH OTHER MORTGAGE LIEN HOLDERS AS TO WHETHER ANY PRIOR LIENS CONTAIN ACCELERATION CLAUSES WHICH WOULD BE ACTIVATED BY JUNIOR ENCUMBRANCE.**

# WATERTOWN SAVINGS BANK

111 Clinton Street – Watertown, NY 13601

## INSURANCE DISCLOSURE (For Credit Application)

These disclosures are required by law because you are applying for credit from a bank:

- We may not condition an extension of credit on either your purchase of insurance or annuities from the bank or our affiliates or your agreement not to obtain, or a prohibition on you from obtaining, insurance or annuities from a person or company that is not affiliated with the bank;
- The insurance or annuities are not a deposit or other obligation of, or guaranteed by, the bank or our affiliates;
- The insurance or annuities are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States, the bank, or our affiliates; and
- There is investment risk associated with the annuities and life insurance, including the possible loss of value.

By signing below, you acknowledge that the foregoing disclosures were provided to you orally and in writing at the time you applied for an extension of credit and before the initial sale of insurance or annuities was completed.

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Date

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Signature

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Date

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Signature



# **WATERTOWN SAVINGS BANK**

111 CLINTON STREET – WATERTOWN, NY 13601 (315) 788-7100

## **HOME EQUITY LINE OF CREDIT MATERIAL OBLIGATIONS**

The following is a list of the categories of contract obligations in the Home equity Line of Credit Agreement and Mortgage which we consider to be “Material Obligations” of the Borrower. If, as a Borrower, you default on, or fail to keep, any of these Material Obligations, the Bank will have the right: (1) to prohibit you from obtaining additional advances or (2) to reduce your maximum credit limit.

### **LIST OF BORROWER’S MATERIAL OBLIGATIONS**

1. To make all payments required under the Agreement and the Mortgage in full on a timely basis;
2. Not to act or to refrain from acting in such a manner that the Bank’s security for advances made under the Agreement or any right in that security is adversely impacted;
3. Not to engage in fraud or to misrepresent any information supplied to the Bank in connection with any phase of the Home Equity Line of Credit;
4. To provide financial information and access to the property which secures the Line of Credit (for purposes of reappraising the Property) as requested by the Bank;
5. Not to assign or transfer any interest Borrower has in the Home Equity Line of Credit, or in the Property which secures it, to anyone without the Bank’s prior written consent;
6. Not to default on any payments or obligations owed under the terms of any prior mortgage or security interest in the Property;
7. Not to request an advance, if the payment of it would cause Borrower’s maximum credit limit to be exceeded;
8. Not to request an advance if the Bank notifies me that by applicable law or regulation it is prohibited from making future advances under the Home Equity Line of Credit;
9. To maintain and use the Property in compliance with all applicable laws, ordinances, and regulation; and
10. To pay all taxes, assessments, fines, or other charges owed in connection with the Property when due.

These Material Obligations are further described in the Agreement and the Mortgage.

### **BANK’S SEPARATE RIGHT TO TERMINATE THE AGREEMENT**

In addition, if a Borrower defaults on the Material Obligations described in items “1”, “2”, or “3” above, the Bank will have the right to terminate the Agreement and demand immediate payment in full, in a single lump sum, of the entire amount owed under the Agreement and the Mortgage.

# BORROWER'S SIGNATURE AUTHORIZATION

Borrower(s) Name and Address	Lender Name and Address  Watertown Savings Bank 111 Clinton Street Watertown, NY 13601
Subject Property Address	Lender Contact
	Lender Phone No. (315) 788-7100    1-800-870-8510
Loan Number	Date

## Borrower Authorization

I hereby authorize the Lender to verify my past and present employment earnings records, bank accounts, stock holdings and any other asset balances that are needed to process my mortgage loan application. I further authorize the Lender to order a consumer credit report and verify other credit information, including past and present mortgage and landlord references. It is understood that a copy of this form will also serve as authorization.

The information the Lender obtains is only to be used in the processing of my application for a mortgage loan.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

The Borrower and/or Co-Borrower have applied for a HUD/FHA loan. The following "NOTICE TO BORROWERS" is required for HUD/FHA loan applications using the blanket authorization form.

***NOTICE TO BORROWERS:** This is notice to you as required by the Right to Financial Privacy Act of 1978 that **HUD/FHA** has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to **HUD/FHA** without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.*