

Home Equity Line of Credit Application



Property Information

Property Address of Collateral (street, city, state, ZIP)		Amount Requested	Amount of Existing Liens
Type of Property (single family home, condo, etc.)	Year Acquired	Original Cost	Estimated Value

Borrower Personal Information

Borrower Name		Member #
Home Phone	Cell Phone	
Email Address		
<input type="radio"/> Married <input type="radio"/> Separated <input type="radio"/> Un-Married		

Employer	Employer Phone
Position	Years There
<input type="radio"/> Self-Employed <input type="radio"/> Active Military <input type="radio"/> Retired	

Monthly Salary/Wages (gross)	
Other Monthly Income (gross)*	Source
Other Monthly Income (gross)*	Source

Co-Borrower Personal Information

Co-Borrower Name		Member #
Home Phone	Cell Phone	
Email Address		
<input type="radio"/> Married <input type="radio"/> Separated <input type="radio"/> Un-Married		

Employer	Employer Phone
Position	Years There
<input type="radio"/> Self-Employed <input type="radio"/> Active Military <input type="radio"/> Retired	

Monthly Salary/Wages (gross)	
Other Monthly Income (gross)*	Source
Other Monthly Income (gross)*	Source

*Alimony, child support, or separate maintenance income needs to be listed only if you wish such income to be considered in evaluating this application. Include overtime pay, bonuses, commissions, rental income, and income from part-time employment if you receive it on a regular basis.

Personal Financial Information

What You Owe	Creditor(s)	Present Balance	Monthly Payment	Owed By	
				Borrower	Co-Borrower
Rent/Mortgage #1					
Mortgage #2					
Auto Loan(s)					
Credit Card(s)					
Other					

What You Own	Description(s)	Market Value	Collateral on any loan?		Owned By	
			Yes	No	Borrower	Co-Borrower
Home(s)						
Auto(s)						
Savings						
Other						

Representations

1. Have you or your co-borrower ever been the subject of bankruptcy proceedings or other debt reorganization or debt relief?	<input type="radio"/> Yes <input type="radio"/> No
2. Have you ever had voluntary or involuntary repossessions of a vehicle, appliance or any other item?	<input type="radio"/> Yes <input type="radio"/> No
3. Have you had any property foreclosed upon within the last 7 years?	<input type="radio"/> Yes <input type="radio"/> No
4. Have you ever had a loan charged off?	<input type="radio"/> Yes <input type="radio"/> No
5. Are you a Guarantor, Co-maker or Endorser on anyone else's debt?	<input type="radio"/> Yes <input type="radio"/> No
6. Are there any suits or unpaid judgments now pending against you?	<input type="radio"/> Yes <input type="radio"/> No
7. Are any of your assets held in trust?	<input type="radio"/> Yes <input type="radio"/> No
8. Are any of your assets encumbered or debts secured except as indicated in this application?	<input type="radio"/> Yes <input type="radio"/> No

AGREEMENT: Each of the undersigned ("You", "Your") specifically represents to The United Methodist Credit Union ("Lender") and agrees and acknowledges that: (1) the information provided in this application, as well as any other information that you provide to Lender (such as tax returns) is true and correct as of the date set forth opposite your signature and that any intentional or negligent misrepresentation of this information may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that you 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 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) the property will be occupied as indicated in this application; (5) Lender may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (6) Lender may continuously rely on the information contained in this application, you are obligated to amend and/or supplement the information provided in this application if any of the material facts that you have represented herein should change prior to the Loan closing; (7) in the event that your payments on the Loan become delinquent, Lender may, in addition to any other rights and remedies that it may have relating to such delinquency, report your name and account information to one or more consumer reporting agencies; and (8) Lender has not made any representation or warranty, express or implied, to you regarding the property or the condition or value of the property.

Acknowledgement. Each of you hereby acknowledges that Lender may verify or reverify any information contained in this applicant 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. You authorize The United Methodist Credit Union ("Lender") to make all inquiries it deems necessary including the obtaining of a credit bureau report, and to verify the accuracy of your statements with any source (including credit bureaus), and to determine creditworthiness, now and on an ongoing basis, and you release all parties from any and all liability or claims for any damage whatsoever that may result therefrom. This means that Lender is authorized to contact the employer(s) listed above. You authorize Lender to use this information, and information from any credit bureau, in selecting and informing you about other products and services offered by Lender.

If your loan is approved, Lender may obtain future consumer credit reports on you to use in extending, modifying, or otherwise reviewing your loan. The undersigned acknowledge receipt of the following disclosures: 1) Home Equity Line of Credit Application Disclosure; and 2) "What You Should Know About Home Equity Lines of Credit."

- I authorize Lender to deduct payments for my Home Equity Line of Credit each month.

Please deduct payment from my/our TUMCU account # _____

- No, I do not want automatic repayment.

USA PATRIOT ACT: Customer Identification Program - Enacted to help the government fight the funding of terrorism and money laundering activities. Federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you 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 or other identifying documents.

Signature of Applicant

Date

Signature of Co-Borrower

Date



HOME EQUITY LINE OF CREDIT APPLICATION DISCLOSURE

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT APPLICATION DISCLOSURE

This disclosure contains important information about our Home Equity Line of Credit (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of these terms change (other than the ANNUAL PERCENTAGE RATE) and you decide, as a result, not to enter into an agreement with us, please inform us immediately.

SECURITY INTEREST. The property used as collateral for this loan must be your primary residence. We will take a security interest in your home by filing a Deed of Trust with your city/county. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).
- (d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.

(g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. There are no fees charged by the Lender for this product other than borrower-initiated fees applicable to all Members regardless of type of product or service (paying with a NSF check, for example).

Late Charge. Your payment will be late if it is not received by us within 10 days after the "Payment Due Date" shown on your periodic statement. If your payment is late, there will be a late fee of 5.00% of the payment amount.

Third Party Fees. No third-party fees are applicable unless the borrower initiates them (for example, paying for an independent appraisal in lieu of basis used by Lender).

AMOUNT YOU CAN BORROW. The credit limit will be established based on the equity in your home. The most recent tax assessment will be used to determine the current value and any current real estate loans attached to this property will be subtracted to determine the equity available. The minimum limit is \$10,000 and the maximum limit is \$100,000.

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

CLOSING. A three-day "Right to Cancel" normally applied and may not be waived. This means that a minimum of three business days must elapse after closing documents are signed before you have access to the funds. All titleholders to the property, even those not liable for the debit must join in the transaction to convey their interest in the property.

MINIMUM PAYMENT REQUIREMENTS. Monthly minimum payments will be based on 1/240th (0.4167%) of the outstanding balance with a minimum of \$40 or the balanced owed (whichever is less); or at least the interest charged for the period, if greater than either of these amounts. You can obtain advances of credit during the DRAW period (first 10 years). An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum payment and took no other credit advances, it would take more than thirty years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 5.250%. At the end of the draw period (year 10), you would have made 120 monthly payments of \$43.85 and have one final payment of \$9,984.28.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

There are no limits to the number of transactions. However, no checks will be issued. Advances may be performed by you via home banking or written request.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Plan.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the Prime Rate as published in the Wall Street Journal. Information about the Index is available or published in the Wall Street Journal. We will use the most recent Index value available to us as of the first day of January of each year to make any annual percentage rate adjustment. If the Index is no longer available, we will choose a new Index and margin. The new Index will have an historical movement substantially similar to the original Index, and the new Index and margin will result in an annual percentage rate that is substantially similar to the rate in effect at the time the original Index becomes unavailable.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, then divide the value by the number of days in a year (daily). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (daily). This result is the ANNUAL PERCENTAGE RATE. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current Index value, margin and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change annually on the first business day of each year. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 15.0% per annum or, go below 3.0% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 15.0% would be \$125.00.

PREPAYMENT. After the first three years, you may prepay the Credit Line balance in full at any time without a prepayment fee. However, an early closure of the Credit Line may be subject to a \$250 fee.

HISTORICAL EXAMPLE. The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the Index from 2005 to 2021. The Index values are from the following reference period: as of the first business day in January. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the Index, or your payments would change in the future.

HISTORICAL TABLE				
Year	Index	Margin*	Annual Percentage Rate	Minimum Periodic Payment**
2005	5.250%	2.000%	7.250%	\$44.69
2006	7.250%	2.000%	9.250%	\$45.52
2007	8.250%	2.000%	10.250%	\$45.94
2008	7.250%	2.000%	9.250%	\$45.52
2009	3.250%	2.000%	5.250%	\$43.85
2010	3.250%	2.000%	5.250%	\$43.85
2011	3.250%	2.000%	5.250%	\$43.85
2012	3.250%	2.000%	5.250%	\$43.85
2013	3.250%	2.000%	5.250%	\$43.85
2014	3.250%	2.000%	5.250%	\$43.85
2015	3.250%	2.000%	5.250%	\$43.85
2016	3.250%	2.000%	5.250%	\$43.85
2017	3.750%	2.000%	5.750%	\$44.06
2018	4.500%	2.000%	6.500%	\$44.38
2019	5.500%	2.000%	7.500%	\$44.79
2020	4.750%	2.000%	6.750%	\$44.48
2021	3.250%	2.000%	5.250%	\$43.85

* This represents the margin used at this time for excellent credit (your margin may be different)

** Equal to 1/240th of the outstanding principal balance