

Home Equity Loan & Home Equity Line of Credit

Instructions and Checklist



Complete a credit application (see branch representative) or an on-line application (<https://loans.texanscu.org/>). Please provide the following information for a Texans Home Equity Loan/Home Equity Line of Credit:

- Executed credit application or on-line credit application
- Notice Concerning Extensions of Credit, signed and dated by all parties (attached)
- Texas Home Equity Questionnaire, signed by all parties(attached)
- Pay stubs for most recent 30 days
- W2s for the previous 2 years
- Provide monthly property tax payments, monthly home-owners insurance payment and Home-Owners Association Dues (If not included in existing 1st Mortgage payment)
- Mortgage statement(s) showing current balance(s) and monthly payment(s)
- Copy of Deed of Trust
- Declarations page from Homeowner's insurance policy

If self-employed or if income is from commissions, interest, dividends or rental properties:

- Complete personal tax returns for the last two (2) years, YTD Profit & Loss statement and Balance Sheet
- Complete business tax returns (if applicable) for the last 2 years.
- Current Rental Agreement

If divorced:

- Copy of fully executed Divorce Decree

Additional items may be required upon receipt and review of any of the above.

Loan Amount

Maximum loan amount is limited to 80% loan to value (established fair market value x 80%, less any liens)

Minimum loan amount is \$5,000

Interest Rate and Term

(Rates and Terms subject to change without notice)

For rates, please call 800.323.1789 or 972.348.2407 or visit our website at www.TexansCU.org/Rates.

Additional Home Equity Loan Requirements

- Property must be single-family owner-occupied homestead.
- A borrower may obtain only one Equity loan or Home Equity Line of Credit at a time.
- An equity loan may not be refinanced more frequently than once a year.
- There is no prepayment penalty.
- Loan closings must occur in the office of the lender, a title company or an attorney.
- Closing documents may **NOT** be executed before the 12th day after the lender receives an executed credit application and *Notice Concerning Extensions of Credit*.
- There is a three day Right of Rescission period after the loan documents are signed before loan proceeds will be disbursed. (Sundays and some legal holidays are excluded.)
- Properties with title vested in a Trust are not eligible for financing

Closing Fees

- 1st lien/mortgage requests: No closing costs or fees up to \$150,000 (appraisal, title and application fees)¹
- 2nd lien/mortgage requests: No closing costs or fees (appraisal, title and application fees)

1. Home Equity Loans / Home Equity Lines of Credit with 1st lien/mortgage requests greater than \$150,000 will be subject to the following requirements: Full title policy is required and member to incur the cost of title policy. For example, the cost of a \$175,000 title policy with the appropriate endorsements will be approximately \$1,750. Title policy premiums are set by the State Board of Insurance and are subject to change by that governmental agency.

Home Equity Loan / Home Equity Line of Credit

Information Guide



Q. What is a home equity loan?

A. A loan secured by the equity you have in your primary residence. Your "equity" is the market value of your homestead minus any outstanding liens secured by your home.

Example:

\$ 100,000	Market Value of your homestead
- \$ 60,000	Liens secured by your home
= \$ 40,000	Equity in your homestead

Q. How can I use a home equity loan?

A. You can use the money from a home equity loan for any purpose, such as sending a child to college, paying medical expenses, home improvement/expansions, emergencies or debt consolidation.

Q. Can I use my home equity loan as a line of credit?

A. Yes, your line of credit is limited to 80% of the fair market value of the property, minus all liens secured by the property.

Q. Is there a maximum and minimum on the amount a homeowner can borrow?

A. Yes. All loans against a homestead are limited to a maximum of 80% of the market value of the property. For example, if your home's market value is \$100,000 and the balance of your mortgage(s) is \$60,000, you could be eligible to borrow up to \$20,000. Texans maximum home equity loan amount is \$250,000 and the minimum is \$5,000.

To get an idea of the amount you could qualify for, all you need is a pencil, a calculator and this chart.

Current market value of your home.		\$
Multiply by 80%		X .80
Credit value of your home	=	\$
Subtract the balance of your mortgage(s)		-
Estimated amount you may be eligible to borrow:	=	\$

Q. Will the interest on a home equity loan be tax deductible?

A. The interest charged on a home equity loan may be tax-deductible. Check with your tax advisor.

Q. Will there be any prepayment penalties?

A. No. There will not be any prepayment penalties.

Q. What is the maximum term on a home equity loan?

A. The maximum term for a Texans home equity loan is 20 years.

Q. Are there any restrictions on a Line of Credit?

A. Yes, if the principal balance at any time exceeds 50 percent of the fair market value of your home, as determined on the date the line of credit is established, you may not continue to request advances under the line of credit until the balance is less than 50 percent of the fair market value.

Q. Is there a minimum amount I must borrow?

A. The minimum loan amount for Home Equity and Home Improvement loans is \$5,000. For HELOC, the minimum draw/advance is \$4,000.

Q. Are there built-in safeguards to protect borrowers on home equity loans?

A. Yes, after the later of the loan application or the giving of a constitutionally specified notice, lenders and borrowers must wait 12 days before loan papers can be signed, and there is an additional three-day right of rescission period before funds can be disbursed. This cooling off period allows borrowers time to review all aspects of their equity loan.

Q. If I still have questions, who can I call?

A. Texans Credit Union Mortgage Lending department at 972- 348-2407 or 1-800-323-1789; or visit www.TexansCU.org.

**HOME EQUITY / HOME EQUITY LINE-OF-CREDIT / HOME IMPROVEMENT
LOAN COMPARISON**

	Home Equity	Home Equity Line-of-Credit	Home Improvement
Interest Rates	Fixed Rate	Variable Rate	Fixed Rate
Terms	Up to 20 year term with a fixed payment amount (2nd mortgage) Up to 15 year term with a fixed payment amount (1st mortgage)	A 5-year draw period with a required payment of interest only each month followed by a 15-year repayment period with fully amortized payments.	Up to 20 year term with interest only payments required during draw period and fixed fully amortizing payments during repayment period.
Amount You Can Borrow	The loan and any other outstanding balances may not exceed 80% of the fair market value of the home less any outstanding liens.	The line-of-credit may not exceed 80% of the fair market value (fmv)*of the home less any outstanding liens, AND if the principal balance of the line-of-credit at exceeds 50% of the fmv*, additional request are not allowed until the balance is less than 50 percent of the fmv.*	The loan and any other outstanding balances may not exceed 95% of the fair market value of the home, less any outstanding liens. Loan also cannot exceed the total costs on contract for work to be completed. For LTV's >90% minimum FICO score of 680
Funds Distribution	Funds are disbursed in one lump sum.	Available funds can be used as needed but advances must be for a minimum of \$4,000.	For loans less than \$25,000 funds are typically disbursed in one lump sum. Loans above \$25,000 will require a draw schedule.
Interest	Interest is accrued on the total loan amount from the day of closing.	Interest is charged only on the balance outstanding and accrues from the date of the advance.	Interest is charged only on the balance outstanding and accrues from the date of the draw.
Waiting Periods	<u>Closing</u> may not occur before the 12 th day after Texans receives executed applications. <u>Funding</u> may not occur before the 3 rd business day after loan documents have been signed.	<u>Closing</u> may not occur before the 12 th day after Texans receives executed applications. <u>Funding</u> may not occur before the 3 rd business day after loan documents have been signed.	<u>Closing</u> may not occur before the 5 th day after Texans receives executed application. <u>Funding</u> may not occur before the 3 rd business day after loan documents have been signed.
Purpose	No restrictions.	No restrictions.	Actual improvements to be made on home by licensed contractor.
Tax-Deductible Interest	Interest may be tax deductible. Check with your tax advisor.	Interest may be tax deductible. Check with your tax advisor.	Interest may be tax deductible. Check with your tax advisor.
Fees/Closing Costs	No Closing Costs/Fees (2nd Mortgage Request) Member incurs costs of full title policy on 1st lien requests >\$150,000	No Closing Costs/Fees	No Closing Costs/Fees Member incurs costs of full title policy on 1st lien requests >\$150,000

* Fair Market Value = the value determined at the time the line is established.

Texas Home Equity Questionnaire

The questions below are critical to processing your request for an equity loan as defined by Section 50(a)(6) Article XVI of the Texas Constitution. (Please circle the appropriate response.)

Property Address: _____

- | | | |
|---|-----|----|
| • Do you reside at and own the above property? | Yes | No |
| • Is above property your homestead? | Yes | No |
| • Is above property within the limits of an incorporated city or town? | Yes | No |
| • Is above property larger than 10 acres and/ or have an agricultural exemption? | Yes | No |
| • Is above property served by city utilities? | Yes | No |
| • Is above property served by city fire protection? | Yes | No |
| • Is above property served by city police protection? | Yes | No |
| • Is above property a duplex, condominium, or mobile home? | Yes | No |
| • Do you have an agricultural exemption on this property? | Yes | No |
| • Is the property in the name of a Trust? | Yes | No |
| • Does anyone else have an ownership interest in above property besides you or your spouse? (ALL owners must sign all documents.) | Yes | No |
| • Are there any mortgages or debts secured by above property today?
(This includes your house payment.) | Yes | No |
| • Have you ever obtained cash back on any transaction involving this property? | Yes | No |
| • Powers of Attorney and mail-out closings are unacceptable. Are all parties available and capable of signing all documents? | Yes | No |

I (we) acknowledge the above questions and have answered all questions truthfully to induce Texans Credit Union to extend credit as defined by Section 50(a)(6) Article XVI of the Texas Constitution. I (we) understand that Texans Credit Union relies upon and accepts as true the representations made in this Questionnaire in order to make an extension of credit upon the above described property. I (we) understand that certain answers may disqualify me (us) from obtaining an equity loan based on State laws or on the availability of a suitable loan product from Texans Credit Union.

Signature Date

Signature Date

Social Security No.

Social Security No.

Texans Credit Union

Home Equity File Information

Member(s): _____

Member Number: _____

Property Address: _____

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

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

- (A) THE LOAN MUST BE VOLUNTARILY CREATED WITH THE CONSENT OF EACH OWNER OF YOUR HOME AND EACH OWNER'S SPOUSE;
- (B) THE PRINCIPAL LOAN AMOUNT AT THE TIME THE LOAN IS MADE MUST NOT EXCEED AN AMOUNT THAT, WHEN ADDED TO THE PRINCIPAL BALANCES OF ALL OTHER LIENS AGAINST YOUR HOME, IS MORE THAN 80 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME;
- (C) THE LOAN MUST BE WITHOUT RECOURSE FOR PERSONAL LIABILITY AGAINST YOU AND YOUR SPOUSE UNLESS YOU OR YOUR SPOUSE OBTAINED THIS EXTENSION OF CREDIT BY ACTUAL FRAUD;
- (D) THE LIEN SECURING THE LOAN MAY BE FORECLOSED UPON ONLY WITH A COURT ORDER;
- (E) FEES AND CHARGES TO MAKE THE LOAN MAY NOT EXCEED 3 PERCENT OF THE LOAN AMOUNT;
- (F) THE LOAN MAY NOT BE AN OPEN-END ACCOUNT THAT MAY BE DEBITED FROM TIME TO TIME OR UNDER WHICH CREDIT MAY BE EXTENDED FROM TIME TO TIME UNLESS IT IS A HOME EQUITY LINE OF CREDIT;
- (G) YOU MAY PREPAY THE LOAN WITHOUT PENALTY OR CHARGE;
- (H) NO ADDITIONAL COLLATERAL MAY BE SECURITY FOR THE LOAN;
- (I) THE LOAN MAY NOT BE SECURED BY HOMESTEAD PROPERTY THAT IS DESIGNATED FOR AGRICULTURAL USE AS OF THE DATE OF CLOSING, UNLESS THE AGRICULTURAL HOMESTEAD PROPERTY IS USED PRIMARILY FOR THE PRODUCTION OF MILK;
- (J) YOU ARE NOT REQUIRED TO REPAY THE LOAN EARLIER THAN AGREED SOLELY BECAUSE THE FAIR MARKET VALUE OF YOUR HOME DECREASES OR BECAUSE YOU DEFAULT ON ANOTHER LOAN THAT IS NOT SECURED BY YOUR HOME;
- (K) ONLY ONE LOAN DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION MAY BE SECURED WITH YOUR HOME AT ANY GIVEN TIME;
- (L) THE LOAN MUST BE SCHEDULED TO BE REPAYED IN PAYMENTS THAT EQUAL OR EXCEED THE AMOUNT OF ACCRUED INTEREST FOR EACH PAYMENT PERIOD;

- (M) THE LOAN MAY NOT CLOSE BEFORE 12 DAYS AFTER YOU SUBMIT A LOAN APPLICATION TO THE LENDER OR BEFORE 12 DAYS AFTER YOU RECEIVE THIS NOTICE, WHICHEVER DATE IS LATER; AND MAY NOT WITHOUT YOUR CONSENT CLOSE BEFORE ONE BUSINESS DATE AFTER THE DATE ON WHICH YOU RECEIVE A COPY OF YOUR LOAN APPLICATION IF NOT PREVIOUSLY PROVIDED AND A FINAL ITEMIZED DISCLOSURE OF THE ACTUAL FEES, POINTS, INTEREST, COSTS, AND CHARGES THAT WILL BE CHARGED AT CLOSING; AND IF YOUR HOME WAS SECURITY FOR THE SAME TYPE OF LOAN WITHIN THE PAST YEAR, A NEW LOAN SECURED BY THE SAME PROPERTY MAY NOT CLOSE BEFORE ONE YEAR HAS PASSED FROM THE CLOSING DATE OF THE OTHER LOAN, UNLESS ON OATH YOU REQUEST AN EARLIER CLOSING DUE TO A DECLARED STATE OF EMERGENCY;
- (N) THE LOAN MAY CLOSE ONLY AT THE OFFICE OF THE LENDER, TITLE COMPANY, OR AN ATTORNEY AT LAW;
- (O) THE LENDER MAY CHARGE ANY FIXED OR VARIABLE RATE OF INTEREST AUTHORIZED BY STATUTE;
- (P) ONLY A LAWFULLY AUTHORIZED LENDER MAY MAKE LOANS DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION;
- (Q) LOANS DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION MUST:
 - (1) NOT REQUIRE YOU TO APPLY THE PROCEEDS TO ANOTHER DEBT EXCEPT A DEBT THAT IS SECURED BY YOUR HOME OR OWED TO ANOTHER LENDER;
 - (2) NOT REQUIRE THAT YOU ASSIGN WAGES AS SECURITY;
 - (3) NOT REQUIRE THAT YOU EXECUTE INSTRUMENTS WHICH HAVE BLANKS FOR SUBSTANTIVE TERMS OF AGREEMENT LEFT TO BE FILLED IN;
 - (4) NOT REQUIRE THAT YOU SIGN A CONFESSION OF JUDGMENT OR POWER OF ATTORNEY TO ANOTHER PERSON TO CONFESS JUDGMENT OR APPEAR IN A LEGAL PROCEEDING ON YOUR BEHALF;
 - (5) PROVIDE THAT YOU RECEIVE A COPY OF YOUR FINAL LOAN APPLICATION AND ALL EXECUTED DOCUMENTS YOU SIGN AT CLOSING;
 - (6) PROVIDE THAT THE SECURITY INSTRUMENTS CONTAIN A DISCLOSURE THAT THIS LOAN IS A LOAN DEFINED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION;
 - (7) PROVIDE THAT WHEN THE LOAN IS PAID IN FULL, THE LENDER WILL SIGN AND GIVE YOU A RELEASE OF LIEN OR AN ASSIGNMENT OF THE LIEN, WHICHEVER IS APPROPRIATE;
 - (8) PROVIDE THAT YOU MAY, WITHIN 3 DAYS AFTER CLOSING, RESCIND THE LOAN WITHOUT PENALTY OR CHARGE;
 - (9) PROVIDE THAT YOU AND THE LENDER ACKNOWLEDGE THE FAIR MARKET VALUE OF YOUR HOME ON THE DATE THE LOAN CLOSES; AND
 - (10) PROVIDE THAT THE LENDER WILL FORFEIT ALL PRINCIPAL AND INTEREST IF THE LENDER FAILS TO COMPLY WITH THE LENDER'S OBLIGATIONS UNLESS THE LENDER

CURES THE FAILURE TO COMPLY AS PROVIDED BY SECTION 50(a)(6)(Q)(x), ARTICLE XVI, OF THE TEXAS CONSTITUTION; AND

- (R) IF THE LOAN IS A HOME EQUITY LINE OF CREDIT;
- (1) YOU MAY REQUEST ADVANCES, REPAY MONEY, AND REBORROW MONEY UNDER THE LINE OF CREDIT;
 - (2) EACH ADVANCE UNDER THE LINE OF CREDIT MUST BE IN AN AMOUNT OF AT LEAST \$4,000;
 - (3) YOU MAY NOT USE A CREDIT CARD, DEBIT CARD, OR SIMILAR DEVICE, OR PREPRINTED CHECK THAT YOU DID NOT SOLICIT, TO OBTAIN ADVANCES UNDER THE LINE OF CREDIT;
 - (4) ANY FEES THE LENDER CHARGES MAY BE CHARGED AND COLLECTED ONLY AT THE TIME THE LINE OF CREDIT IS ESTABLISHED AND THE LENDER MAY NOT CHARGE A FEE IN CONNECTION WITH ANY ADVANCE;
 - (5) THE MAXIMUM PRINCIPAL AMOUNT THAT MAY BE EXTENDED, WHEN ADDED TO ALL OTHER DEBTS SECURED BY YOUR HOME, MAY NOT EXCEED 80 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME ON THE DATE THE LINE OF CREDIT IS ESTABLISHED;
 - (6) IF THE PRINCIPAL BALANCE UNDER THE LINE OF CREDIT AT ANY TIME EXCEEDS 50 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME, AS DETERMINED ON THE DATE THE LINE OF CREDIT IS ESTABLISHED, YOU MAY NOT CONTINUE TO REQUEST ADVANCES UNDER THE LINE OF CREDIT UNTIL THE BALANCE IS LESS THAN 50 PERCENT OF THE FAIR MARKET VALUE; AND
 - (7) THE LENDER MAY NOT UNILATERALLY AMEND THE TERMS OF THE LINE OF CREDIT.

THIS NOTICE IS ONLY A SUMMARY OF YOUR RIGHTS UNDER THE TEXAS CONSTITUTION.

This notice is only a summary of your rights under the Texas constitution. Your rights are governed by Section 50, Article XVI, of the Texas Constitution, and not by this notice.

I/we the undersigned Borrower (s) and/or Owner(s), whether one or more, each hereby acknowledge receipt of a copy of this Notice on this _____ day of _____, _____ and I/we have fully read and understand it.
(day) (month) (year)

Borrower

Borrower

Borrower

**Texans Credit Union Texas Home Equity Line of Credit Early
Disclosure Statement**

IMPORTANT TERMS OF OUR TEXAS HOME EQUITY LINE OF CREDIT ACCOUNT

This disclosure contains important information about our Texas Home Equity Line of Credit Account. You should read it carefully and keep a copy for your records. In this Disclosure, "you" and "your" refer to each person applying for a Texas Home Equity Line of Credit and anyone else authorized to use it. "We", "our" and "us" refer to Texans Credit Union.

1. **Availability of Terms.** All of the terms described below are subject to change. If any of these terms change (other than the annual percentage rate due to fluctuations in the index) and you decide, as a result, to not enter into an agreement with us, you are entitled to a refund of any fees that you pay to us or anyone else in connection with your application.
2. **Security Interest.** We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.
3. **Possible Actions.** We may take the following actions with respect to your line of credit under the circumstances listed below:
 - a. **Termination and Acceleration.** We can terminate your line of credit and require you to pay us the entire outstanding balance on your line of credit in one payment, and charge you certain fees if:
 - i. You engage in any fraud or material misrepresentation or omission at any time in connection with the line of credit;
 - ii. You do not meet the repayment terms of the line of credit; or
 - iii. Your action or inaction adversely affects the collateral (your home) for your line of credit or our rights in the collateral. This includes, to the extent allowable by applicable law, your failure to insure the collateral or pay taxes on the collateral as they become due, the sale or other transfer of the collateral, the creation of a senior lien encumbering the collateral, or the foreclosure or threatened foreclosure of another lien on the collateral.
 - b. **Suspension of Credit/Reduction of Credit Limit.** We may refuse to make additional advances or reduce your credit limit if:
 - i. Any of the circumstances set forth in subparagraph (a) above occur;
 - ii. The value of your dwelling securing your line of credit declines significantly below its appraised value for purposes of the line;
 - iii. We reasonably believe that you will not be able to meet the repayment obligations of your line of credit Agreement due to a material change in your financial
 - iv. circumstances;
 - v. You are in default of a material obligation of your line of credit Agreement or the line of credit Security Document. All of your obligations under your line of credit Agreement and the line of credit Security Document are material for purposes of this provision;
 - vi. Government action prevents us from imposing the annual percentage rate provided for, or impairs the priority of our security interest such that the value of the interest is less than 120 percent of the credit limit;
 - vii. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
 - viii. The maximum annual percentage rate is reached.
 - c. **Change in Terms.** The line of credit Agreement permits us to make certain changes to the terms of your line

of credit at specified times or upon the occurrence of specified events.

4. **Draw Period and Repayment Period.** The draw period (the "Draw Period") is the time period in which advances can be obtained on your line of credit. The repayment period (the "Repayment Period") is the time period between the Draw Period and when your line of credit ends. The Draw Period for your line of credit is five years. The Repayment Period for your line of credit is fifteen years.
5. **Payment Terms.** The Draw Period for your line of credit is five years and you may obtain credit advances for five years. After the Draw Period ends, and if the Draw Period is not renewed or extended by us, you will no longer be able to obtain credit advances and must repay the outstanding balance within the Repayment Period of fifteen years. Minimum monthly payments will be due during the Draw Period and during the Repayment Period as described below.
6. **Minimum Payment Requirements.** During the Draw Period and the Repayment Period, payments will be due monthly whenever a balance exists on your statement date. The minimum payment requirements are as follows:

Draw Period - A minimum monthly payment equal to the finance charges that have accrued on the outstanding balance during the preceding month, together with all past due amounts, amounts in excess of your credit limit, late charges, insurance premiums and other fees imposed to the extent allowable by applicable law. Paying the minimum monthly payment will not reduce the principal balance that is outstanding on your line of credit.

Repayment Period - A minimum monthly payment in an amount, including both principal and interest, sufficient to amortize the unpaid line of credit balance at the end of the Draw Period over 180 months, considering the index plus margin then in effect, together with all past due amounts, amounts in excess of your credit limit, late charges, insurance premiums and other fees imposed to the extent allowable by applicable law.
7. **Minimum Payment Example.** If you took a single \$10,000.00 advance at an **ANNUAL PERCENTAGE RATE** of 9.25% (the most recent index plus margin shown in the Historical Table), it would take 240 months to pay off your account. During that period you would make 60 monthly payments of \$77.08 followed by 180 monthly payments of \$102.92.
8. **Fees and Charges.** In order to open and maintain a line of credit, you must pay certain fees and charges as follows:
 - a. **Credit Union Fees.** Application Fee: \$100.00 (Due at application. Refundable at closing.)
 - b. **Third Party Fees.** You must pay certain fees to third parties to open your line of credit account. These fees generally range between \$150.00 and \$1,800.00. If you ask, we will give you an itemization of the fees you will have to pay third parties in such event.
9. **Transaction Requirements.** There is a minimum draw requirement of \$4,000.00 for each advance.
10. **Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges under the line of credit.
11. **Property Insurance.** We will require that you carry insurance coverage on the property that secures your line of credit.
12. **Variable Rate Feature.** The line of credit has a variable rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum payment can change as a result. The annual percentage rate includes only interest and not other costs.

The annual percentage rate is based on the value of an index. The index is the Prime Rate as published in the Money Rates Section of the *Wall Street Journal*. We will use the most recent index value available to us as of the 15 days before the date of any annual percentage rate adjustment. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index. To determine the annual percentage rate, we take the index and round up to the nearest one-eighth (.125%) of one percent (1.0%) and add the margin, if any. Ask us for the current index value, margin, discount or premium, and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we will send you.

13. **Rate Changes.** The annual percentage rate is subject to change quarterly. Any change will be effective on the first day of January, April, July and October. An increase in the index will result in an increase in the periodic rate

which, in turn, will result in higher payments. A decrease in the index will have the opposite effect. The rate cannot increase or decrease by more than 2 percentage points in any one quarter. In any event, the daily periodic rate will never be less than a daily periodic rate with a corresponding **ANNUAL PERCENTAGE RATE** of 4%, and it will never be greater than a daily periodic rate with a corresponding **ANNUAL PERCENTAGE RATE** of 18%.

14. **Maximum Rate and Payment Examples.**

If you had an outstanding balance of \$10,000.00 during the Draw Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$150.00. This maximum annual percentage rate could be reached during the 3rd month of the 2nd year of the Draw Period.

If you had an outstanding balance of \$10,000.00 at the beginning of the Repayment Period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$161.04. This maximum annual percentage rate could be reached during the 3rd month of the 2nd year of the Repayment Period.

15. **Historical Example.** The following table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the last business day of July each year. While only one payment amount per year is shown, payments would have varied during each year.

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

Year	Index (%)	Margin (%)	ANNUAL PERCENTAGE RATE (%)		Minimum Monthly Payment (\$)
1996	8.25	1*	9.25		77.08
1997	8.50	1	9.50		79.16
1998	8.50	1	9.50	Draw	79.16
1999	8.00	1	9.00	Period	75.00
2000	9.50	1	10.50		87.49
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2001	6.75	1	7.75		94.13
2002	4.75	1	5.75	Repayment	83.61
2003	4.00	1	5.00	Period	80.07
2004	4.25	1	5.25		81.16
2005	6.25	1	7.25		89.50
2006	8.25	1	9.25		97.61
2007	8.25	1	9.25		97.61
2008	5.00	1	6.00		86.78
2009	3.25	1	4.25		81.89
2010	3.25	1	4.25		81.89

* This is a margin we have used recently.



P.O. Box 853912
 Richardson, TX 75085-3912
 Phone: 800-843-5295
<https://www.texanscu.org>

RESIDENTIAL LOAN APPLICATION



Date	Member Number
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APPLICANT INFORMATION. Married Applicants may apply for an individual loan/separate account.
Type of Credit. Check the type of credit for which you wish to apply.
 Individual credit – If you are applying for individual credit, complete the Applicant section.
 Joint credit – If you are applying for joint credit with your spouse or another person, complete the Applicant section and the Spouse/Co-Applicant section.
You must initial here if you intend to apply for Joint Credit: Applicant: **X** Co-Applicant: **X**
Spouse Information. You must also complete the Spouse section if any of the following apply: (1) your spouse will use your account; (2) you are relying on your spouse's income as a source of repayment; (3) you live in a community property state (AZ, CA, ID, LA, NM, NV, TX, WA, WI or Puerto Rico); or (4) you are an Alaska resident and are currently subject to a community property agreement or community property trust.

Type of Credit Applied For:
 Home Equity Line of Credit Home Equity 2nd Mortgage Home Improvement Property Type: Single Family Home Condominium Townhouse Other _____
 Amt Requested \$ _____ Purpose: _____ Term: _____ Approximate Value of Home: _____
 Property Address: _____
 Payment Method: Cash Automatic Payment (ACH)

Optional Payment Protection – If you answer "yes" the Credit Union will disclose the cost of optional payment protection to you. A separate election that discloses the terms and conditions must be signed for protection to become effective. **Are you interested in having this loan protected?** Yes No

APPLICANT Complete only if: (a) credit will be secured by collateral; or (b) you live in a community property state; or (c) you are an Alaska resident subject to a community property agreement or community property trust: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single, Divorced, Widowed)			<input type="checkbox"/> SPOUSE <input type="checkbox"/> CO-APPLICANT Complete only if: (a) credit will be secured by collateral; or (b) you live in a community property state; or (c) you are an Alaska resident subject to a community property agreement or community property trust: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single, Divorced, Widowed)		
APPLICANT NAME			SPOUSE/CO-APPLICANT NAME		
SOCIAL SECURITY NO.	DRIVER'S LICENSE NO. & STATE	BIRTH DATE	SOCIAL SECURITY NO.	DRIVER'S LICENSE NO. & STATE	BIRTH DATE
HOME PHONE NO.	CELL PHONE	DO YOU: <input type="checkbox"/> OWN <input type="checkbox"/> RENT	HOME PHONE NO.	CELL PHONE	DO YOU: <input type="checkbox"/> OWN <input type="checkbox"/> RENT
MOTHER'S MAIDEN NAME	E-MAIL ADDRESS		MOTHER'S MAIDEN NAME	E-MAIL ADDRESS	
CURRENT STREET ADDRESS	APT. NO.	YRS MTHS	CURRENT STREET ADDRESS	APT. NO.	YRS MTHS
CITY/STATE/ZIP			CITY/STATE/ZIP		
FORMER ADDRESS (if current less than 2 years) YEARS THERE			FORMER ADDRESS (if current less than 2 years) YEARS THERE		

EMPLOYMENT & INCOME If you are self-employed, attach a financial statement and your most recent income tax return.

CURRENT EMPLOYER	HIRE DATE	CURRENT EMPLOYER	HIRE DATE
WORK PHONE NO.	POSITION	MONTHLY GROSS INCOME	MONTHLY GROSS INCOME
		\$	\$
FORMER EMPLOYER (if current less than 2 years)		FORMER EMPLOYER (if current less than 2 years)	

OTHER INCOME You need not list income from alimony, child support or separate maintenance unless you wish it considered for purposes of granting this credit.

SOURCE OF OTHER INCOME	MONTHLY GROSS INCOME	SOURCE OF OTHER INCOME	MONTHLY GROSS INCOME
	\$		\$

HOME EQUITY INFORMATION - List any liens against your house. A lien is a legal claim filed against property as security for payment of a debt.

FIRST MORTGAGE HELD BY	PRESENT BALANCE	MONTHLY PAYMENT
		\$
OTHER LIENS (DESCRIBE)		

IS THE PROPERTY DESCRIBED IN THIS SECTION YOUR PRINCIPAL DWELLING? Yes No IS ANYONE OTHER THAN YOUR SPOUSE A PART OWNER OF YOUR HOME? Yes No
 DO YOU HAVE AN EXISTING HOME EQUITY LOAN OR HOME EQUITY LINE OF CREDIT ON THIS PROPERTY? Yes No HAVE YOU PREVIOUSLY RECEIVED A HOME EQUITY LOAN OR HOME EQUITY LINE OF CREDIT ON THIS PROPERTY? Yes No

CREDIT INFORMATION Be sure to list all open accounts with or without a balance.
 A - APPLICANT C - SPOUSE/CO-APPLICANT D - DEBTS TO BE PAID OFF IF LOAN IS GRANTED

PLEASE CHECK			LIST ALL OBLIGATIONS INCLUDING CREDIT UNION LOANS (Attach separate sheet if necessary)	ACCOUNT NUMBER	BALANCE	MONTHLY PAYMENTS
A	C	D				

FINANCIAL INFORMATION PLEASE ANSWER THE FOLLOWING QUESTIONS AND IF A "YES" ANSWER IS GIVEN, EXPLAIN ON A SEPARATE SHEET.		Applicant		Co-Applicant	
		YES	NO	YES	NO
1. HAVE YOU EVER FILED FOR BANKRUPTCY OR HAD A DEBT ADJUSTMENT PLAN CONFIRMED UNDER CHAPTER 13?					
2. HAVE YOU HAD PROPERTY FORECLOSED UPON OR GIVEN A DEED IN LIEU OF FORECLOSURE IN THE LAST 7 YEARS?					
3. ARE YOU OTHER THAN A U.S. CITIZEN OR PERMANENT RESIDENT ALIEN?					
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 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, this 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. (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 Alaskan 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 Alaskan 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 application was taken by: <input type="checkbox"/> Face-to-Face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet					
Loan Originator's Signature X _____				Date _____	
Loan Originator's Name		Loan Originator Identifier		Loan Originator's Phone Number (incl. area code)	
Loan Origination Company's Name		Loan Origination Company Identifier		Loan Origination Company's Address	
SIGNATURES – Are you currently on active military duty? <input type="checkbox"/> Yes <input type="checkbox"/> No					
You promise that the information stated in this Home Equity Loan Application is true and correct to the best of your knowledge. You authorize the Credit Union to obtain credit reports when updating its records in connection with any review, increase, extension or renewal of credit, and in connection with any collection activities involving credit extended to you. The Credit Union may also obtain credit reports to update, increase, extend, renew or collection of the credit received by you. False or misleading statements in your application may cause any loan to be in default. You agree that this application shall be the Credit Union's property whether or not this application is approved. You will notify the Credit Union in writing immediately of any changes in your name, address or employment. You understand that it is a federal crime to willfully and deliberately provide incomplete or incorrect information to obtain credit. If you request, you will be provided the name and address of any credit bureau from which we received a credit report. You understand and agree that if your application is approved, that any collateral described in any security agreement, pledge, advance disbursement voucher or similar document that may be executed, now or in the future, in connection with such credit will secure the Credit Union for repayment of funds advanced to you, subject to the terms and conditions of such security agreement, pledge, advance disbursement voucher or similar document.					
IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: 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 opens an account. What this means for you: 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.					
OHIO RESIDENTS: The Ohio laws against discrimination requires that all creditors make credit equally available to all credit worthy 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.					
WISCONSIN RESIDENTS: For any provision of any marital property agreement, court decree under WI ST § 766.70, or statement under WI ST § 766.59 to adversely affect the rights of the Credit Union, the Credit Union must be provided with a copy of the Agreement, decree or statement or have actual knowledge of its terms before any credit is approved or account opened. Sign if you are NOT applying for this loan account with your spouse. This credit request, if approved, will be incurred in the interest of the marriage or family of the undersigned.					
Wisconsin Resident Signature _____ Date _____					
X _____			X _____		
Applicant/Co-Signer			Spouse/Co-Applicant		
Date			Date		
Credit Union Use Only					
Loan Approved <input type="checkbox"/> Yes <input type="checkbox"/> No Loan Officer Signature X _____		Loan Approved <input type="checkbox"/> Yes <input type="checkbox"/> No Credit Committee Signature X _____		Mortgage Loan Originator: NMLSR ID #:	Mortgage Loan Officer Name: NMLSR ID #: