

OSWEGO TEACHERS EMPLOYEES FEDERAL CREDIT UNION

113 W. Albany Street • Oswego, NY 13126

Telephone: (315) 342-4574

Fax: (315) 342-2205



HOW TO APPLY

- Please complete sections 1 through 8
• Return this application to your credit union
• Sign and complete section 9
• An incomplete or unsigned form may delay processing

1 NOTE AND COMPLETE

Married Applicants may apply for a separate account.

NOTICE TO OHIO APPLICANTS: The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers...

WISCONSIN RESIDENTS ONLY: (1) No provision of any marital property agreement, unilateral statement under Section 766.59, or court decree under Section 766.70 will adversely affect the rights of the Credit Union unless the Credit Union is furnished a copy of the agreement, statement or decree...

SIGNATURE FOR WISCONSIN RESIDENTS ONLY DATE

- Individual Credit: Complete Applicant section. Complete Co-Applicant, Spouse (referred to as "Other") section: (1) about your spouse if you live in a community property state...
Joint Credit: Each Applicant must individually complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box.

Amount Requested \$ Purpose:
Repayment: Payroll Deduction Cash Automatic Payment Military Allotment

STATEMENT OF INTENT

Are you interested in having your loan protected? Yes No
If you answer "yes," the Credit Union will disclose the cost to protect your loan. The protection is voluntary and does not affect your loan approval. In order for your loan to be covered, you will need to sign a separate application that explains the terms and conditions.

2 APPLICANT INFORMATION

APPLICANT form fields: NAME, DRIVER'S LICENSE NUMBER/STATE, ACCOUNT NUMBER, SOCIAL SECURITY NUMBER, BIRTH DATE, HOME PHONE, CELL PHONE, BUSINESS PHONE/ EXT., PRESENT ADDRESS, PREVIOUS ADDRESS, COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE, LIST AGES OF DEPENDENTS NOT LISTED BY OTHER APPLICANT

CO-APPLICANT SPOUSE form fields: NAME, DRIVER'S LICENSE NUMBER/STATE, ACCOUNT NUMBER, SOCIAL SECURITY NUMBER, BIRTH DATE, HOME PHONE, CELL PHONE, BUSINESS PHONE/ EXT., PRESENT ADDRESS, PREVIOUS ADDRESS, COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE, LIST AGES OF DEPENDENTS NOT LISTED BY APPLICANT

3 EMPLOYMENT INFORMATION

EMPLOYMENT INFORMATION form fields: NAME AND ADDRESS OF EMPLOYER, YOUR TITLE/GRADE, SUPERVISOR'S NAME, START DATE, HOURS AT WORK, IF SELF EMPLOYED, TYPE OF BUSINESS, IF EMPLOYED IN CURRENT POSITION LESS THAN FIVE YEARS, COMPLETE PREVIOUS EMPLOYER NAME AND ADDRESS, STARTING DATE, ENDING DATE, IS DUTY STATION TRANSFER EXPECTED DURING NEXT YEAR

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4 INCOME INFORMATION

INCOME INFORMATION form fields: NOTICE: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered. EMPLOYMENT INCOME, OTHER INCOME, NET, GROSS, SOURCE, PER

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5 REFERENCES

Please include Street, City, State and Zip.

REFERENCES form fields: NAME AND ADDRESS OF NEAREST RELATIVE NOT LIVING WITH YOU, RELATIONSHIP, HOME PHONE, NAME AND ADDRESS OF PERSONAL FRIEND -NOT A RELATIVE, HOME PHONE

REFERENCES form fields: NAME AND ADDRESS OF NEAREST RELATIVE NOT LIVING WITH YOU, RELATIONSHIP, HOME PHONE, NAME AND ADDRESS OF PERSONAL FRIEND -NOT A RELATIVE, HOME PHONE

APPLICANT

OTHER (CO-APPLICANT, SPOUSE)

6A ASSETS/PROPERTY
Check box for Applicant/Other. List all assets and account number(s)—Attach other sheets if necessary.

SHARE DRAFT OR CHECKING AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY	SHARE DRAFT OR CHECKING AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY
SAVINGS AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY	SAVINGS AMOUNT \$	NAME AND ADDRESS OF DEPOSITORY
APPLICANT	LIST HOME AND ALL OTHER ITEMS YOU OWN AND LOCATION OF PROPERTY For Example: Auto, Boat, Stocks, Bonds, Cash, Household Goods, Real Estate, etc.	MARKET VALUE	PLEGDED AS COLLATERAL FOR ANOTHER LOAN
OTHER			
HOME*		\$	YES NO
		\$	YES NO
		\$	YES NO

6B*
This section must be completed for the property which will be given as security, if applicable.

LIST EVERY LIEN AGAINST YOUR HOME
A lien is a legal claim filed against property as security for payment of a debt. Liens include mortgages, deeds of trust, land contracts, judgments and past due taxes.

FIRST MORTGAGE HELD BY	OTHER LIENS (Describe)
PRESENT BALANCE \$	
IS THE PROPERTY DESCRIBED IN THIS SECTION: YOUR PRINCIPAL DWELLING? LISTED AS THE APPLICANT'S ADDRESS IN THE "APPLICANT INFORMATION" SECTION?	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> NO
IS ANYONE OTHER THAN YOUR SPOUSE A PART OWNER OF YOUR HOME?	<input type="checkbox"/> YES <input type="checkbox"/> NO

7 DEBTS
In addition to Rent/Mortgage list all other debts (for example, auto loans, credit cards, second mortgage, home assoc. dues, alimony, child support, child care, medical, utilities, auto insurance, IRS liabilities, etc.) Please use a separate line for each credit card and auto loan. Attach other sheets if necessary.

APPLICANT	OTHER	CREDITOR NAME AND ADDRESS	ACCOUNT NUMBER	ORIGINAL BALANCE	PRESENT BALANCE	MONTHLY PAYMENT	IF PAST DUE ✓
<input type="checkbox"/> RENT				\$	\$	\$	
<input type="checkbox"/> MORTGAGE (Incl. Tax & Ins.)				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
				\$	\$	\$	
LIST ANY NAMES UNDER WHICH YOUR CREDIT REFERENCES AND CREDIT HISTORY CAN BE CHECKED				TOTALS	\$	\$	\$

8 FINANCIAL INFORMATION
These questions apply to both Applicant and Other.

IF A "YES" ANSWER IS GIVEN TO A QUESTION, EXPLAIN ON AN ATTACHED SHEET

DO YOU HAVE ANY OUTSTANDING JUDGMENTS? _____

HAVE YOU EVER FILED FOR BANKRUPTCY OR HAD A DEBT ADJUSTMENT PLAN CONFIRMED UNDER CHAPTER 13? _____

HAVE YOU HAD PROPERTY FORECLOSED UPON OR GIVEN A DEED IN LIEU OF FORECLOSURE IN THE LAST 7 YEARS? _____

ARE YOU A PARTY IN A LAWSUIT? _____

ARE YOU OTHER THAN A U.S. CITIZEN OR PERMANENT RESIDENT ALIEN? _____

IS YOUR INCOME LIKELY TO DECLINE IN THE NEXT TWO YEARS? _____

ARE YOU A CO-MAKER, CO-SIGNER OR GUARANTOR ON ANY LOAN NOT LISTED ABOVE? _____

FOR WHOM (Name of Others Obligated on Loan): _____ TO WHOM (Name of Creditor): _____

APPLICANT		OTHER	
YES	NO	YES	NO

9 SIGNATURES

You promise that everything you have stated in this application is correct to the best of your knowledge and that the above information is a complete listing of all your debts and obligations. You authorize the Credit Union to obtain credit reports in connection with this application for credit and for any update, renewal or extension of the credit received. If you request, the Credit Union will tell you the name and address of any credit bureau from which it received a credit report on you. You understand that it is a crime to willfully and deliberately provide incomplete or incorrect information in this application. If there are any important changes, you will notify us in writing immediately. You also agree to notify us of any change in your name, address or employment within a reasonable time thereafter.

X _____ DATE _____
APPLICANT'S SIGNATURE

X _____ DATE _____
OTHER SIGNATURE

10 CREDIT UNION INFORMATION
Do not write in this section— for credit union use only. Check applicable box(es).

LOAN OFFICER ADVANCE APPROVED: YES NO COUNTER OFFER WILL BE MADE, IF ACCEPTED, ADVANCE APPROVED

CREDIT COMMITTEE OR OTHER OUTSIDE INFORMATION CONSIDERED: YES NO IF YES, ATTACH ADDITIONAL SHEET AND DESCRIBE

REFERRED TO/REASON(S) FOR REFERRAL: _____ \$ _____ APPROVED LIMIT _____ DEBT RATIO _____

DESCRIBE COUNTER OFFER: _____

SPECIFIC REASON(S) FOR REJECTION: _____

SIGNATURES:

<input type="checkbox"/> LOAN OFFICER	X	DATE	X	DATE
<input type="checkbox"/> CREDIT COMMITTEE		DATE		DATE

ECOA NOTICE AND REASON FOR REJECTION SENT OR DELIVERED ON _____ (DATE) BY _____ (INITIALS)

LOAN ORIGINATOR ORGANIZATION _____ NMLSR ID NUMBER _____

LOAN ORIGINATOR _____ NMLSR ID NUMBER _____

WHAT YOU SHOULD KNOW ABOUT HOME EQUITY LINES OF CREDIT

More and more lenders are offering home equity lines of credit. By using the equity in your home, you may qualify for a sizable amount of credit, available for use when and how you please, at an interest rate that is relatively low. Furthermore, under the tax law – depending on your specific situation – you may be allowed to deduct the interest because the debt is secured by your home.

If you are in the market for credit, a home equity plan may be right for you. Or perhaps another form of credit would be better. Before making a decision, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risk. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

WHAT IS A HOME EQUITY LINE OF CREDIT?

A home equity line is a form of revolving credit in which your home serves as collateral. Because the home is likely to be a consumer's largest asset, many homeowners use their credit lines only for major items such as education, home improvements, or medical bills and not for day-to-day expenses.

With a home equity line, you will be approved for a specific amount of credit – your credit limit, the maximum amount you may borrow at any one time under the plan.

Many lenders set the credit limit on a home equity line by taking a percentage (say, 75 percent) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example,

Appraised value of home	\$100,000
Percentage	x 75%
Percentage of appraised value	= \$75,000
Less balance owed on mortgage	– \$40,000
Potential credit	\$35,000

In determining your actual credit limit, the lender will also consider your ability to repay, by looking at your income, debts, and other financial obligations as well as your credit history.

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this "draw period," you may be allowed to renew the credit line. If your plan does not allow renewals, you will not be able to borrow additional money once the period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed period (the "repayment period"), for example, 10 years.

Once approved for a home equity line of credit, you will most likely be able to borrow up to your credit limit whenever you want. Typically, you will use special checks to draw on the line.

Under some plans, borrowers can use a credit card or other means to draw on the line. There may be limitations on how you use the line. Some plans may require you to borrow a minimum amount each time you draw on the line (for example, \$300) and to keep a minimum amount outstanding. Some plans may also require that you take an initial advance when the line is set up.

WHAT SHOULD YOU LOOK FOR WHEN SHOPPING FOR A PLAN?

If you decide to apply for a home equity line of credit, look for the plan that best meets your particular needs. Read the credit agreement carefully, and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs of establishing the plan. The APR for a home equity line is based on the interest rate alone and will not reflect the closing costs and other fees and charges, so you'll need to compare these costs, as well as the APRs, among lenders.

Interest Rate Charges and Related Plan Features.

Home equity lines of credit typically involve variable rather than fixed interest rates. The variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury bill rate); the interest rate for borrowing under the home equity line changes, mirroring fluctuations in the value of the index. Most lenders cite the interest rate you will pay as the value of the index at a particular time plus a "margin," such as 2 percentage points. Because the cost of borrowing is tied directly to the value of the index, it is important to find out which index is used, how often the value of the index changes, and how high it has risen in the past as well as the amount of the margin.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines – a rate that is unusually low and may last for only an introductory period, such as 6 months.

Variable-rate plans secured by a dwelling must, by law, have a ceiling (or cap) on how much your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase and how low your interest rate may fall if interest rates drop.

Some lenders allow you to convert from a variable interest rate to a fixed rate during the life of the plan, or to convert all or a portion of your line to a fixed-term installment loan.

Plans generally permit the lender to freeze or reduce your credit line under certain circumstances. For example, some variable-rate plans may not allow you to draw additional funds during a period in which the interest rate reaches the cap.

Costs of Establishing and Maintaining a Home Equity Line.

Many of the costs of setting up a home equity line of credit are similar to those you pay when you buy a home. For example,

- A fee for a property appraisal to estimate the value of your home.
- An application fee, which may not be refunded if you are turned down for credit.

- Up-front charges, such as one or more points (one point equals 1 percent of the credit limit).
- Closing costs, including fees for attorneys, title search, and mortgage preparation and filing; property and title insurance; and taxes.

In addition, you may be subject to certain fees during the plan period, such as annual membership or maintenance fees and a transaction fee every time you draw on the credit line.

You could find yourself paying hundreds of dollars to establish the plan. If you were to draw only a small amount against your credit line, those initial charges would substantially increase the cost of the funds borrowed. On the other hand, because the lender's risk is lower than for other forms of credit, as your home serves as collateral, annual percentage rates for home equity lines are generally lower than rates for other types of credit. The interest you save could offset the costs of establishing and maintaining the line. Moreover, some lenders waive some or all of the closing costs.

HOW WILL YOU REPAY YOUR HOME EQUITY PLAN?

Before entering into a plan, consider how you will pay back the money you borrow. Some plans set minimum payments that cover a portion of the principal (the amount you borrow) plus accrued interest. But (unlike the typical installment loan) the portion that goes toward principal may not be enough to repay the principal by the end of the term. Other plans may allow payment of interest alone during the life of the plan, which means that you pay nothing toward the principal. If you borrow \$10,000, you will owe that amount when the plan ends.

Regardless of the minimum required payment, you may choose to pay more, and many lenders may offer a choice of payment options. Many consumers choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

Whatever your payment arrangements during the life of the plan – whether you pay some, a little, or none of the principal amount of the loan – when the plan ends you may have to pay the entire balance owed, all at once. You must be prepared to make this "balloon payment" by refinancing it with the lender, by obtaining a loan from another lender, or by some other means. If you are unable to make the balloon payment, you could lose your home.

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow \$10,000 under a plan that calls for interest-only payments. At a 10 percent interest rate, your monthly payments would be \$83. If the rate rises over time to 15 percent, your monthly payments will increase to \$125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments may increase, unless your agreement calls for keeping payments the same throughout the plan period.

If you sell your home, you will probably be required to pay off your home equity line in full immediately. If you are likely to

sell your home in the near future, consider whether it makes sense to pay the up-front costs of setting up a line of credit. Also keep in mind that renting your home may be prohibited under the terms of your agreement.

LINE OF CREDIT VS. TRADITIONAL SECOND MORTGAGE LOANS.

If you are thinking about a home equity line of credit, you might also want to consider a traditional second mortgage loan. A second mortgage provides you with a fixed amount of money repayable over a fixed period. In most cases the payment schedule calls for equal payments that will pay off the entire loan within the loan period. You might consider a second mortgage instead of a home equity line if, for example, you need a set amount for a specific purpose, such as an addition to your home.

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

- The APR for a traditional second mortgage loan takes into account the interest rate charged plus points and other finance charges.
- The APR for a home equity line of credit is based on the periodic interest rate alone. It does not include points or other charges.

Disclosures from Lenders.

The federal Truth in Lending Act requires lenders to disclose the important terms and costs of their home equity plans, including the APR, miscellaneous charges, the payment terms, and information about any variable-rate feature. And in general, neither the lender nor anyone else may charge a fee until after you have received this information. You usually get these disclosures when you receive an application form, and you will get additional disclosures before the plan is opened. If any term (other than a variable-rate feature) changes before the plan is opened, the lender must return all fees if you decide not to enter into the plan because of the change.

When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you 3 days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the 3-day period. The lender must then cancel its security interest in your home and return all fees – including any application and appraisal fees – paid to open the account.

HOME EQUITY PLAN CHECKLIST

Ask your lender to help fill out this checklist.

BASIC FEATURES

	Plan A	Plan B
Fixed annual percentage rate	<input type="text"/> %	<input type="text"/> %
Variable annual percentage rate	<input type="text"/> %	<input type="text"/> %
Index used and current value	<input type="text"/> %	<input type="text"/> %
Amount of margin	<input type="text"/>	<input type="text"/>
Frequency of rate adjustments	<input type="text"/>	<input type="text"/>
Amount/length of discount (if any)	<input type="text"/>	<input type="text"/>
Interest rate cap and floor	<input type="text"/>	<input type="text"/>

Length of plan

Draw period	<input type="text"/>	<input type="text"/>
Repayment period	<input type="text"/>	<input type="text"/>

Initial fees

Appraisal fee	<input type="text"/>	<input type="text"/>
Application fee	<input type="text"/>	<input type="text"/>
Up-front charges, including points	<input type="text"/>	<input type="text"/>
Closing costs	<input type="text"/>	<input type="text"/>

REPAYMENT TERMS

During the draw period

Interest and principal payments	<input type="text"/>	<input type="text"/>
Interest-only payments	<input type="text"/>	<input type="text"/>
Fully amortizing payments	<input type="text"/>	<input type="text"/>

When the draw period ends

Balloon payment?	<input type="text"/>	<input type="text"/>
Renewal available?	<input type="text"/>	<input type="text"/>
Refinancing of balance by lender?	<input type="text"/>	<input type="text"/>

What You Should Know About Home Equity Lines of Credit



To request additional copies of *What You Should Know About Home Equity Lines of Credit*, please call the LOANLINER® Department, 1-800-356-5012.

Documents Needed for Home Equity Loan/Line of Credit

Deed: Copy of last deed recorded in County Clerk's Office.
Deed should be in the name of the borrower(s).

Real Property

Taxes: Tax bill or receipt for the most recent tax bills issued.

Homeowner

Insurance: Policy or declarations page must be furnished, naming the Credit Union as mortgagee. Must also provide a receipt for premium or policy/declarations page must show date that the premium is paid. **Needed at closing.**

You will need to attach verification of your income (copies of most recent: W-2 forms, Federal Tax Return, signed contract or four (4) pay stubs).

This also applies to your **Co-maker**, if you need or use one, and **always** applies to any **additional income** you include on the application.

Lack of requested information and incomplete application(s) may cause undue delay in the processing of your credit request.

- If you have **no mortgage or rent, enter 0** and explain.
- List **all debts** including credit cards, student loan, etc.