

Uniform Residential Loan Application

Verify and complete the information on this application. If you are applying for this loan with others, each additional Borrower must provide information as directed by your Lender.

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix) _____	Social Security Number _____ (or Individual Taxpayer Identification Number) _____
Alternate Names – List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix) _____	Date of Birth (mm/dd/yyyy) _____ / _____ / _____ Citizenship ☐ U.S. Citizen ☐ Permanent Resident Alien ☐ Non-Permanent Resident Alien
Type of Credit ☐ I am applying for individual credit . ☐ I am applying for joint credit . Total Number of Borrowers: _____ Each Borrower intends to apply for joint credit. Your initials: _____	List Name(s) of Other Borrower(s) Applying for this Loan (First, Middle, Last, Suffix) – Use a separator between names _____

Marital Status ☐ Married ☐ Separated ☐ Unmarried (Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)	Dependents (not listed by another Borrower) Number _____ Ages _____	Contact Information Home Phone (____) _____ – _____ Cell Phone (____) _____ – _____ Work Phone (____) _____ – _____ Ext. _____ Email _____
--	--	--

Current Address
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Current Address? ____ Years ____ Months **Housing** ☐ No primary housing expense ☐ Own ☐ Rent (\$ _____ /month)

If at Current Address for LESS than 2 years, list Former Address ☐ **Does not apply**
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Former Address? ____ Years ____ Months **Housing** ☐ No primary housing expense ☐ Own ☐ Rent (\$ _____ /month)

Mailing Address – if different from Current Address ☐ **Does not apply**
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

1b. Current Employment/Self-Employment and Income

☐ **Does not apply**

Employer or Business Name _____ Phone (____) _____ – _____ Street _____ Unit # _____ City _____ State _____ ZIP _____ Country _____	Gross Monthly Income Base \$ _____ /month Overtime \$ _____ /month Bonus \$ _____ /month Commission \$ _____ /month Military Entitlements \$ _____ /month Other \$ _____ /month TOTAL \$ _____ /month
Position or Title _____ Start Date ____ / ____ / ____ (mm/dd/yyyy) How long in this line of work? ____ Years ____ Months	Check if this statement applies: ☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.
☐ Check if you are the Business Owner or Self-Employed ☐ I have an ownership share of less than 25%. Monthly Income (or Loss) \$ _____ ☐ I have an ownership share of 25% or more. \$ _____	

1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income☐ Does not apply

Employer or Business Name _____ Phone (____) ____ - ____
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Position or Title _____**Start Date** ____ / ____ / ____ (mm/dd/yyyy)

How long in this line of work? ____ Years ____ Months

Check if this statement applies:☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed** ☐ I have an ownership share of less than 25%. **Monthly Income (or Loss)**
☐ I have an ownership share of 25% or more. \$ _____

Gross Monthly Income

Base \$ _____ /month
Overtime \$ _____ /month
Bonus \$ _____ /month
Commission \$ _____ /month
Military Entitlements \$ _____ /month
Other \$ _____ /month
TOTAL \$ _____ /month

1d. IF APPLICABLE, Complete Information for Previous Employment/Self-Employment and Income☐ Does not apply**Provide at least 2 years of current and previous employment and income.**

Employer or Business Name _____
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Position or Title _____**Start Date** ____ / ____ / ____ (mm/dd/yyyy)**End Date** ____ / ____ / ____ (mm/dd/yyyy)☐ **Check if you were the Business Owner or Self-Employed****Previous Gross Monthly Income \$** _____ /month**1e. Income from Other Sources**☐ Does not apply**Include income from other sources below. Under Income Source, choose from the sources listed here:**

• Alimony	• Child Support	• Interest and Dividends	• Notes Receivable	• Royalty Payments	• Unemployment
• Automobile Allowance	• Disability	• Mortgage Credit Certificate	• Public Assistance	• Separate Maintenance	Benefits
• Boarder Income	• Foster Care	• Mortgage Differential	• Retirement	• Social Security	• VA Compensation
• Capital Gains	• Housing or Parsonage	Payments	(e.g., Pension, IRA)	• Trust	• Other

NOTE: Reveal alimony, child support, separate maintenance, or other income ONLY IF you want it considered in determining your qualification for this loan.

Income Source – use list above	Monthly Income
	\$
	\$
	\$
	\$
Provide TOTAL Amount Here	\$

Borrower Name: _____

Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

Section 2: Financial Information — Assets and Liabilities. This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

2a. Assets – Bank Accounts, Retirement, and Other Accounts You Have

Include all accounts below. Under Account Type, choose from the types listed here:

- Checking
- Savings
- Money Market
- Certificate of Deposit
- Mutual Fund
- Stocks
- Stock Options
- Bonds
- Retirement (e.g., 401k, IRA)
- Bridge Loan Proceeds
- Individual Development Account
- Trust Account
- Cash Value of Life Insurance (used for the transaction)

Account Type – use list above	Financial Institution	Account Number	Cash or Market Value
			\$
			\$
			\$
			\$
			\$
Provide TOTAL Amount Here			\$

2b. Other Assets and Credits You Have

☐ Does not apply

Include all other assets and credits below. Under Asset or Credit Type, choose from the types listed here:

- Assets*

 - Proceeds from Real Estate
 - Property to be sold on or before closing
 - Proceeds from Sale of Non-Real Estate Asset
 - Secured Borrowed Funds
 - Unsecured Borrowed Funds
 - Other

Credits

 - Earnest Money
 - Employer Assistance
 - Lot Equity
 - Relocation Funds
 - Rent Credit
 - Sweat Equity
 - Trade Equity

Asset or Credit Type – use list above	Cash or Market Value
	\$
	\$
	\$
	\$
Provide TOTAL Amount Here	\$

2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe

☐ Does not apply

List all liabilities below (except real estate) and include deferred payments. Under Account Type, choose from the types listed here:

- Revolving (e.g., credit cards)
- Installment (e.g., car, student, personal loans)
- Open 30-Day (balance paid monthly)
- Lease (not real estate)
- Other

Account Type – use list above	Company Name	Account Number	Unpaid Balance	To be paid off at or before closing	Monthly Payment
			\$	☐	\$
			\$	☐	\$
			\$	☐	\$
			\$	☐	\$
			\$	☐	\$

2d. Other Liabilities and Expenses

☐ Does not apply

Include all other liabilities and expenses below. Choose from the types listed here:

Account Type – use list above	Monthly Payment
• Alimony • Child Support • Separate Maintenance • Job Related Expenses • Other	\$
	\$
	\$

Borrower Name:

Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. ☐ *I do not own any real estate*

3a. Property You Own

If you are refinancing, list the property you are refinancing FIRST.

Address Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. <i>if not included in Monthly Mortgage Payment</i>	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$			\$	\$	\$

Mortgage Loans on this Property ☐ Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance <i>To be paid off at or before closing</i>	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit <i>(if applicable)</i>
		\$	\$ ☐		\$
		\$	\$ ☐		\$

3b. IF APPLICABLE, Complete Information for Additional Property

☐ Does not apply

Address Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. <i>if not included in Monthly Mortgage Payment</i>	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$			\$	\$	\$

Mortgage Loans on this Property ☐ Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance <i>To be paid off at or before closing</i>	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit <i>(if applicable)</i>
		\$	\$ ☐		\$
		\$	\$ ☐		\$

3c. IF APPLICABLE, Complete Information for Additional Property

☐ Does not apply

Address Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. <i>if not included in Monthly Mortgage Payment</i>	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$			\$	\$	\$

Mortgage Loans on this Property ☐ Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance <i>To be paid off at or before closing</i>	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit <i>(if applicable)</i>
		\$	\$ ☐		\$
		\$	\$ ☐		\$

Borrower Name:

Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

Section 4: Loan and Property Information.

This section asks about the loan's purpose and the property you want to purchase or refinance.

4a. Loan and Property Information

Loan Amount \$ _____ **Loan Purpose** ☐ Purchase ☐ Refinance ☐ Other (specify) _____

Property Address Street _____ Unit # _____
City _____ State _____ ZIP _____ County _____
Number of Units _____ **Property Value** \$ _____

Occupancy ☐ Primary Residence ☐ Second Home ☐ Investment Property **FHA Secondary Residence** ☐

1. Mixed-Use Property. If you will occupy the property, will you set aside space within the property to operate your own business? (e.g., daycare facility, medical office, beauty/barber shop) ☐ NO ☐ YES

2. Manufactured Home. Is the property a manufactured home? (e.g., a factory built dwelling built on a permanent chassis) ☐ NO ☐ YES

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing

☐ Does not apply

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
	☐ First Lien ☐ Subordinate Lien	\$ _____	\$ _____	\$ _____
	☐ First Lien ☐ Subordinate Lien	\$ _____	\$ _____	\$ _____

4c. Rental Income on the Property You Want to Purchase

For Purchase Only ☐ Does not apply

Complete if the property is a 2-4 Unit Primary Residence or an Investment Property	Amount
Expected Monthly Rental Income	\$ _____
For LENDER to calculate: Expected Net Monthly Rental Income	\$ _____

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan

☐ Does not apply

Include all gifts and grants below. Under Source, choose from the sources listed here:

- Community Nonprofit
- Federal Agency
- Relative
- State Agency
- Lender
- Employer
- Local Agency
- Religious Nonprofit
- Unmarried Partner
- Other

Asset Type: Cash Gift, Gift of Equity, Grant	Deposited/Not Deposited	Source – use list above	Cash or Market Value
	☐ Deposited ☐ Not Deposited		\$ _____
	☐ Deposited ☐ Not Deposited		\$ _____

Borrower Name: _____

Section 5: Declarations. This section asks you specific questions about the property, your funding, and your past financial history.

5a. About this Property and Your Money for this Loan

A. Will you occupy the property as your primary residence? If YES, have you had an ownership interest in another property in the last three years? If YES, complete (1) and (2) below: (1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)? (2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	☐ NO ☐ YES ☐ NO ☐ YES
B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?	☐ NO ☐ YES
C. Are you borrowing any money for this real estate transaction (<i>e.g., money for your closing costs or down payment</i>) or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application? If YES, what is the amount of this money?	☐ NO ☐ YES \$ _____
D. 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application? 2. Have you or will you be applying for any new credit (<i>e.g., installment loan, credit card, etc.</i>) on or before closing this loan that is not disclosed on this application?	☐ NO ☐ YES ☐ NO ☐ YES
E. Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes (<i>e.g., the Property Assessed Clean Energy Program</i>)?	☐ NO ☐ YES

5b. About Your Finances

F. Are you a co-signer or guarantor on any debt or loan that is not disclosed on this application?	☐ NO ☐ YES
G. Are there any outstanding judgments against you?	☐ NO ☐ YES
H. Are you currently delinquent or in default on a Federal debt?	☐ NO ☐ YES
I. Are you a party to a lawsuit in which you potentially have any personal financial liability?	☐ NO ☐ YES
J. Have you conveyed title to any property in lieu of foreclosure in the past 7 years?	☐ NO ☐ YES
K. Within the past 7 years, have you completed a pre-foreclosure sale or short sale, whereby the property was sold to a third party and the Lender agreed to accept less than the outstanding mortgage balance due?	☐ NO ☐ YES
L. Have you had property foreclosed upon in the last 7 years?	☐ NO ☐ YES
M. Have you declared bankruptcy within the past 7 years? If YES, identify the type(s) of bankruptcy: ☐ Chapter 7 ☐ Chapter 11 ☐ Chapter 12 ☐ Chapter 13	☐ NO ☐ YES

Borrower Name:

Section 6: Acknowledgments and Agreements.

This section tells you about your legal obligations when you sign this application.

Acknowledgments and Agreements

Definitions:

- "Lender" includes the Lender's agents, service providers, and any of their successors and assigns.
- "Other Loan Participants" includes (i) any actual or potential owners of a loan resulting from this application (the "Loan"), (ii) acquirers of any beneficial or other interest in the Loan, (iii) any mortgage insurer, (iv) any guarantor, (v) any servicer of the Loan, and (vi) any of these parties' service providers, successors or assigns.

I agree to, acknowledge, and represent the following:

(1) The Complete Information for this Application

- The information I have provided in this application is true, accurate, and complete as of the date I signed this application.
- If the information I submitted changes or I have new information before closing of the Loan, I must change and supplement this application, including providing any updated/supplemented real estate sales contract.
- For purchase transactions: The terms and conditions of any real estate sales contract signed by me in connection with this application are true, accurate, and complete to the best of my knowledge and belief. I have not entered into any other agreement, written or oral, in connection with this real estate transaction.
- The Lender and Other Loan Participants may rely on the information contained in the application before and after closing of the Loan.
- Any intentional or negligent misrepresentation of information may result in the imposition of:
 - (a) civil liability on me, including monetary damages, if a person suffers any loss because the person relied on any misrepresentation that I have made on this application, and/or
 - (b) criminal penalties on me including, but not limited to, fine or imprisonment or both under the provisions of Federal law (18 U.S.C. §§ 1001 *et seq.*).

(2) The Property's Security

The Loan I have applied for in this application will be secured by a mortgage or deed of trust which provides the Lender a security interest in the property described in this application.

(3) The Property's Appraisal, Value, and Condition

- Any appraisal or value of the property obtained by the Lender is for use by the Lender and Other Loan Participants.
- The Lender and Other Loan Participants have not made any representation or warranty, express or implied, to me about the property, its condition, or its value.

(4) Electronic Records and Signatures

- The Lender and Other Loan Participants may keep any paper record and/or electronic record of this application, whether or not the Loan is approved.

- If this application is created as (or converted into) an "electronic application", I consent to the use of "electronic records" and "electronic signatures" as the terms are defined in and governed by applicable Federal and/or state electronic transactions laws.
- I intend to sign and have signed this application either using my:
 - (a) electronic signature; or
 - (b) a written signature and agree that if a paper version of this application is converted into an electronic application, the application will be an electronic record, and the representation of my written signature on this application will be my binding electronic signature.
- I agree that the application, if delivered or transmitted to the Lender or Other Loan Participants as an electronic record with my electronic signature, will be as effective and enforceable as a paper application signed by me in writing.

(5) Delinquency

- The Lender and Other Loan Participants may report information about my account to credit bureaus. Late payments, missed payments, or other defaults on my account may be reflected in my credit report and will likely affect my credit score.
- If I have trouble making my payments I understand that I may contact a HUD-approved housing counseling organization for advice about actions I can take to meet my mortgage obligations.

(6) Authorization for Use and Sharing of Information

By signing below, in addition to the representations and agreements made above, I expressly authorize the Lender and Other Loan Participants to obtain, use, and share with each other (i) the loan application and related loan information and documentation, (ii) a consumer credit report on me, and (iii) my tax return information, as necessary to perform the actions listed below, for so long as they have an interest in my loan or its servicing:

- (a) process and underwrite my loan;
- (b) verify any data contained in my consumer credit report, my loan application and other information supporting my loan application;
- (c) inform credit and investment decisions by the Lender and Other Loan Participants;
- (d) perform audit, quality control, and legal compliance analysis and reviews;
- (e) perform analysis and modeling for risk assessments;
- (f) monitor the account for this loan for potential delinquencies and determine any assistance that may be available to me; and
- (g) other actions permissible under applicable law.

Borrower Signature _____ **Date (mm/dd/yyyy)** ____/____/____

Additional Borrower Signature _____ **Date (mm/dd/yyyy)** ____/____/____

Borrower Name:

Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

Section 7: Military Service.

This section asks questions about your (or your deceased spouse's) military service.

Military Service of Borrower

Military Service – Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces? ☐ NO ☐ YES

If YES, check all that apply:

- ☐ Currently serving on active duty with projected expiration date of service/tour ____ / ____ / ____ (mm/dd/yyyy)
- ☐ Currently retired, discharged, or separated from service
- ☐ Only period of service was as a non-activated member of the Reserve or National Guard
- ☐ Surviving spouse

Section 8: Demographic Information.

This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: Check one or more

- ☐ Hispanic or Latino
 - ☐ Mexican ☐ Puerto Rican ☐ Cuban
 - ☐ Other Hispanic or Latino – Print origin: _____

For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.

- ☐ Not Hispanic or Latino
- ☐ I do not wish to provide this information

Sex

- ☐ Female
- ☐ Male
- ☐ I do not wish to provide this information

Race: Check one or more

- ☐ American Indian or Alaska Native – Print name of enrolled or principal tribe: _____

☐ Asian

- ☐ Asian Indian ☐ Chinese ☐ Filipino
- ☐ Japanese ☐ Korean ☐ Vietnamese
- ☐ Other Asian – Print race: _____

For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.

- ☐ Black or African American
- ☐ Native Hawaiian or Other Pacific Islander
 - ☐ Native Hawaiian ☐ Guamanian or Chamorro ☐ Samoan
 - ☐ Other Pacific Islander – Print race: _____

For example: Fijian, Tongan, and so on.

- ☐ White
- ☐ I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

- Was the ethnicity of the Borrower collected on the basis of visual observation or surname? ☐ NO ☐ YES
- Was the sex of the Borrower collected on the basis of visual observation or surname? ☐ NO ☐ YES
- Was the race of the Borrower collected on the basis of visual observation or surname? ☐ NO ☐ YES

The Demographic Information was provided through:

- ☐ Face-to-Face Interview (includes Electronic Media w/ Video Component) ☐ Telephone Interview ☐ Fax or Mail ☐ Email or Internet

Borrower Name:

Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

Supplemental Consumer Information Form

The purpose of the Supplemental Consumer Information Form (SCIF) is to collect information on homeownership education and housing counseling and/or language preference to help lenders better understand the needs of borrowers during the home buying process.

Borrower Name (First, Middle, Last, Suffix) _____

Homeownership Education and Housing Counseling

Homeownership education and housing counseling programs are offered by independent third parties to help the Borrower understand the rights and responsibilities of homeownership.

Has the Borrower(s) completed homeownership education (group or web-based classes) within the last 12 months? ☐ NO ☐ YES

If YES: (1) **What format was it in:** (Check the most recent) ☐ Attended Workshop in Person ☐ Completed Web-Based Workshop

(2) **Who provided it:**

If a HUD-approved agency, provide Housing Counseling Agency ID # _____

For a list of HUD-approved agencies go to: https://www.hud.gov/program_offices/housing/sfh/hcc

If not a HUD-approved agency, or unsure of HUD approval, provide the name of the Housing Education Program:

(3) **Date of Completion** ____/____/____ mm/dd/yyyy

Has the Borrower(s) completed housing counseling (customized counselor-to-client services) within the last 12 months? ☐ NO ☐ YES

If YES: (1) **What format was it in:** (Check the most recent) ☐ Face-to-Face ☐ Telephone ☐ Internet ☐ Hybrid

(2) **Who provided it:**

If a HUD-approved agency, provide Housing Counseling Agency ID # _____

For a list of HUD-approved agencies go to: https://www.hud.gov/program_offices/housing/sfh/hcc

If not a HUD-approved agency, or unsure of HUD approval, provide name of Housing Counseling Agency:

(3) **Date of Completion** ____/____/____ mm/dd/yyyy

Language Preference

Language Preference – Your loan transaction is likely to be conducted in English. This question requests information to see if communications are available to assist you in your preferred language. Please be aware that communications may NOT be available in your preferred language.

Optional - Mark the language you would prefer, if available:

☐ English ☐ Chinese ☐ Korean ☐ Spanish ☐ Tagalog ☐ Vietnamese ☐ Other: _____ ☐ I do not wish to respond
(中文) (한국어) (Español) (Tagalog) (Tiếng Việt)

Your answer will NOT negatively affect your mortgage application. Your answer does not mean the Lender or Other Loan Participants agree to communicate or provide documents in your preferred language. However, it may let them assist you or direct you to persons who can assist you.

Language assistance and resources may be available through housing counseling agencies approved by the U.S. Department of Housing and Urban Development. To find a housing counseling agency, contact one of the following Federal government agencies:

- U.S. Department of Housing and Urban Development (HUD) at (800) 569-4287 or https://www.hud.gov/program_offices/housing/sfh/hcc.
- Consumer Financial Protection Bureau (CFPB) at (855) 411-2372 or www.consumerfinance.gov/find-a-housing-counselor.

Section 9: Loan Originator Information.

To be completed by your **Loan Originator**.

Loan Originator Information

Loan Originator Organization Name _____

Address _____

Loan Originator Organization NMLSR ID# _____ State License ID# _____

Loan Originator Name _____

Loan Originator NMLSR ID# _____ State License ID# _____

Email _____ Phone (_____) _____ - _____

Signature _____ Date (mm/dd/yyyy) ____ / ____ / ____

Borrower Name:

Uniform Residential Loan Application

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

To be completed by the **Lender:**

Lender Loan No./Universal Loan Identifier _____

Agency Case No. _____

Uniform Residential Loan Application — Unmarried Addendum

For Borrower Selecting the Unmarried Status

Lenders Instructions for Using the Unmarried Addendum

The Lender may use the Unmarried Addendum only when a Borrower selected “Unmarried” in Section 1 and the information collected is necessary to determine how State property laws directly or indirectly affecting creditworthiness apply, including ensuring clear title.

For example, the Lender may use the Unmarried Addendum when the Borrower resides in a State that recognizes civil unions, domestic partnerships, or registered reciprocal beneficiary relationships or when the property is located in such a State. “State” means any state, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

If you selected “Unmarried” in Section 1, is there a person who is not your legal spouse but who currently has real property rights similar to those of a legal spouse? ☐ NO ☐ YES

If YES, indicate the type of relationship and the State in which the relationship was formed. For example, indicate if you are in a civil union, domestic partnership, registered reciprocal beneficiary relationship, or other relationship recognized by the State in which you currently reside or where the property is located.

☐ Civil Union ☐ Domestic Partnership ☐ Registered Reciprocal Beneficiary Relationship ☐ Other (*explain*) _____

State:

Borrower Name:

Uniform Residential Loan Application — Unmarried Addendum

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

Uniform Residential Loan Application — Additional Borrower

Verify and complete the information on this application as directed by your Lender.

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix) _____

Alternate Names – List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix) _____

Social Security Number _____
(or Individual Taxpayer Identification Number)

Date of Birth
(mm/dd/yyyy)
____/____/____

Citizenship
☐ U.S. Citizen
☐ Permanent Resident Alien
☐ Non-Permanent Resident Alien

Type of Credit

- ☐ I am applying for **individual credit**.
☐ I am applying for **joint credit**. Total Number of Borrowers: _____
Each Borrower intends to apply for joint credit. **Your initials:** _____

List Name(s) of Other Borrower(s) Applying for this Loan
(First, Middle, Last, Suffix) – Use a separator between names

Marital Status

- ☐ Married
☐ Separated
☐ Unmarried
(Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)

Dependents (not listed by another Borrower)

Number _____
Ages _____

Contact Information

Home Phone (____) ____ - ____
Cell Phone (____) ____ - ____
Work Phone (____) ____ - ____ **Ext.** _____
Email _____

Current Address

Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Current Address? ____ Years ____ Months **Housing** ☐ No primary housing expense ☐ Own ☐ Rent (\$ _____ /month)

If at Current Address for LESS than 2 years, list Former Address ☐ Does not apply

Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Former Address? ____ Years ____ Months **Housing** ☐ No primary housing expense ☐ Own ☐ Rent (\$ _____ /month)

Mailing Address – if different from Current Address ☐ Does not apply

Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

1b. Current Employment/Self-Employment and Income

☐ Does not apply

Employer or Business Name _____ Phone (____) ____ - ____
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Position or Title _____

Start Date ____/____/____ (mm/dd/yyyy)

How long in this line of work? ____ Years ____ Months

Check if this statement applies:

☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed** ☐ I have an ownership share of less than 25%. **Monthly Income (or Loss)** \$ _____
☐ I have an ownership share of 25% or more. \$ _____

Gross Monthly Income

Base \$ _____ /month
Overtime \$ _____ /month
Bonus \$ _____ /month
Commission \$ _____ /month
Military Entitlements \$ _____ /month
Other \$ _____ /month
TOTAL \$ _____ /month

1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income☐ Does not apply

Employer or Business Name _____ Phone (____) ____ - ____
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Position or Title _____**Start Date** ____ / ____ / ____ (mm/dd/yyyy)

How long in this line of work? ____ Years ____ Months

Check if this statement applies:☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed** ☐ I have an ownership share of less than 25%. **Monthly Income (or Loss)** \$ _____
☐ I have an ownership share of 25% or more. \$ _____

Gross Monthly Income

Base \$ _____ /month
Overtime \$ _____ /month
Bonus \$ _____ /month
Commission \$ _____ /month
Military Entitlements \$ _____ /month
Other \$ _____ /month
TOTAL \$ _____ /month

1d. IF APPLICABLE, Complete Information for Previous Employment/Self-Employment and Income☐ Does not apply**Provide at least 2 years of current and previous employment and income.**

Employer or Business Name _____
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Position or Title _____**Start Date** ____ / ____ / ____ (mm/dd/yyyy)**End Date** ____ / ____ / ____ (mm/dd/yyyy)☐ **Check if you were the Business Owner or Self-Employed****Previous Gross Monthly Income \$** _____ /month**1e. Income from Other Sources**☐ Does not apply**Include income from other sources below. Under Income Source, choose from the sources listed here:**

- | | | | | | |
|------------------------|------------------------|-------------------------------|----------------------|------------------------|-------------------|
| • Alimony | • Child Support | • Interest and Dividends | • Notes Receivable | • Royalty Payments | • Unemployment |
| • Automobile Allowance | • Disability | • Mortgage Credit Certificate | • Public Assistance | • Separate Maintenance | • Benefits |
| • Boarder Income | • Foster Care | • Mortgage Differential | • Retirement | • Social Security | • VA Compensation |
| • Capital Gains | • Housing or Parsonage | • Payments | (e.g., Pension, IRA) | • Trust | • Other |

NOTE: Reveal alimony, child support, separate maintenance, or other income ONLY IF you want it considered in determining your qualification for this loan.

Income Source – use list above	Monthly Income
_____	\$ _____
_____	\$ _____
_____	\$ _____
Provide TOTAL Amount Here	\$ _____

Section 2: Financial Information — Assets and Liabilities.

My information for Section 2 is listed on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Section 3: Financial Information — Real Estate.

My information for Section 3 is listed on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Section 4: Loan and Property Information.

My information for Section 4 is listed on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Borrower Name:

Uniform Residential Loan Application — Additional Borrower
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

Section 5: Declarations. This section asks you specific questions about the property, your funding, and your past financial history.

5a. About this Property and Your Money for this Loan

A. Will you occupy the property as your primary residence? If YES, have you had an ownership interest in another property in the last three years? If YES, complete (1) and (2) below: (1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)? (2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	☐ NO ☐ YES ☐ NO ☐ YES _____ _____
B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?	☐ NO ☐ YES
C. Are you borrowing any money for this real estate transaction (e.g., money for your closing costs or down payment) or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application? If YES, what is the amount of this money?	☐ NO ☐ YES \$ _____
D. 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application? 2. Have you or will you be applying for any new credit (e.g., installment loan, credit card, etc.) on or before closing this loan that is not disclosed on this application?	☐ NO ☐ YES ☐ NO ☐ YES
E. Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes (e.g., the Property Assessed Clean Energy Program)?	☐ NO ☐ YES

5b. About Your Finances

F. Are you a co-signer or guarantor on any debt or loan that is not disclosed on this application?	☐ NO ☐ YES
G. Are there any outstanding judgments against you?	☐ NO ☐ YES
H. Are you currently delinquent or in default on a Federal debt?	☐ NO ☐ YES
I. Are you a party to a lawsuit in which you potentially have any personal financial liability?	☐ NO ☐ YES
J. Have you conveyed title to any property in lieu of foreclosure in the past 7 years?	☐ NO ☐ YES
K. Within the past 7 years, have you completed a pre-foreclosure sale or short sale, whereby the property was sold to a third party and the Lender agreed to accept less than the outstanding mortgage balance due?	☐ NO ☐ YES
L. Have you had property foreclosed upon in the last 7 years?	☐ NO ☐ YES
M. Have you declared bankruptcy within the past 7 years? If YES, identify the type(s) of bankruptcy: ☐ Chapter 7 ☐ Chapter 11 ☐ Chapter 12 ☐ Chapter 13	☐ NO ☐ YES

Section 6: Acknowledgements and Agreements.

My signature for Section 6 is on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Section 7: Military Service. This section asks questions about your (or your deceased spouse's) military service.

Military Service of Borrower

Military Service – Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces? ☐ NO ☐ YES

If YES, check all that apply: ☐ Currently serving on active duty with projected expiration date of service/tour ____ / ____ / ____ (mm/dd/yyyy)
☐ Currently retired, discharged, or separated from service
☐ Only period of service was as a non-activated member of the Reserve or National Guard
☐ Surviving spouse

Borrower Name:

Uniform Residential Loan Application — Additional Borrower
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

Section 8: Demographic Information.

This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: Check one or more

- ☐ Hispanic or Latino
☐ Mexican ☐ Puerto Rican ☐ Cuban
☐ Other Hispanic or Latino – *Print origin:* _____

For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.

- ☐ Not Hispanic or Latino
☐ I do not wish to provide this information

Sex

- ☐ Female
☐ Male
☐ I do not wish to provide this information

Race: Check one or more

- ☐ American Indian or Alaska Native – *Print name of enrolled or principal tribe:* _____

- ☐ Asian
☐ Asian Indian ☐ Chinese ☐ Filipino
☐ Japanese ☐ Korean ☐ Vietnamese
☐ Other Asian – *Print race:* _____

For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.

- ☐ Black or African American
☐ Native Hawaiian or Other Pacific Islander
☐ Native Hawaiian ☐ Guamanian or Chamorro ☐ Samoan
☐ Other Pacific Islander – *Print race:* _____

For example: Fijian, Tongan, and so on.

- ☐ White
☐ I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

- Was the ethnicity of the Borrower collected on the basis of visual observation or surname? ☐ NO ☐ YES
Was the sex of the Borrower collected on the basis of visual observation or surname? ☐ NO ☐ YES
Was the race of the Borrower collected on the basis of visual observation or surname? ☐ NO ☐ YES

The Demographic Information was provided through:

- ☐ Face-to-Face Interview (*includes Electronic Media w/ Video Component*) ☐ Telephone Interview ☐ Fax or Mail ☐ Email or Internet

Section 9: Loan Originator Information.

To be completed by your **Loan Originator**.

Loan Originator Information

Loan Originator Organization Name _____
Address _____
Loan Originator Organization NMLSR ID# _____ State License ID# _____
Loan Originator Name _____
Loan Originator NMLSR ID# _____ State License ID# _____
Email _____ Phone (_____) _____ - _____
Signature _____ Date (mm/dd/yyyy) ____ / ____ / ____

Borrower Name:

Uniform Residential Loan Application — Additional Borrower
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

To be completed by the **Lender:**

Lender Loan No./Universal Loan Identifier _____

Agency Case No. _____

Uniform Residential Loan Application — Unmarried Addendum

For Borrower Selecting the Unmarried Status

Lenders Instructions for Using the Unmarried Addendum

The Lender may use the Unmarried Addendum only when a Borrower selected “Unmarried” in Section 1 and the information collected is necessary to determine how State property laws directly or indirectly affecting creditworthiness apply, including ensuring clear title.

For example, the Lender may use the Unmarried Addendum when the Borrower resides in a State that recognizes civil unions, domestic partnerships, or registered reciprocal beneficiary relationships or when the property is located in such a State. “State” means any state, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

If you selected “Unmarried” in Section 1, is there a person who is not your legal spouse but who currently has real property rights similar to those of a legal spouse? ☐ NO ☐ YES

If YES, indicate the type of relationship and the State in which the relationship was formed. For example, indicate if you are in a civil union, domestic partnership, registered reciprocal beneficiary relationship, or other relationship recognized by the State in which you currently reside or where the property is located.

☐ Civil Union ☐ Domestic Partnership ☐ Registered Reciprocal Beneficiary Relationship ☐ Other (*explain*) _____

State:

Borrower Name:

Uniform Residential Loan Application — Unmarried Addendum

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

To be completed by the **Lender:**

Lender Loan No./Universal Loan Identifier _____

Agency Case No. _____

Uniform Residential Loan Application — Continuation Sheet

Continuation Sheet

Use this continuation sheet if you need more space to complete the Uniform Residential Loan Application.

Borrower Name (*First, Middle, Last, Suffix*) _____

Additional Information _____

Additional Borrower Name (*First, Middle, Last, Suffix*) _____

Additional Information _____

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 federal law (18 U.S.C. §§ 1001 *et seq.*).

Borrower Signature _____ **Date** (*mm/dd/yyyy*) ____/____/____

Additional Borrower Signature _____ **Date** (*mm/dd/yyyy*) ____/____/____

Uniform Residential Loan Application — Lender Loan Information

This section is completed by your Lender.

L1. Property and Loan Information**Community Property State**

- ☐ At least one borrower lives in a community property state.
☐ The property is in a community property state.

Transaction Detail

- ☐ Conversion of Contract for Deed or Land Contract
☐ Renovation
☐ Construction-Conversion/Construction-to-Permanent
☐ Single-Closing ☐ Two-Closing

Construction/Improvement Costs \$ _____

Lot Acquired Date ____ / ____ / ____ (mm/dd/yyyy)

Original Cost of Lot \$ _____

Refinance Type

- ☐ No Cash Out
☐ Limited Cash Out
☐ Cash Out

Refinance Program

- ☐ Full Documentation
☐ Interest Rate Reduction
☐ Streamlined without Appraisal
☐ Other _____

Energy Improvement

- ☐ Mortgage loan will finance energy-related improvements.
☐ Property is currently subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid for through property taxes (e.g., the *Property Assessed Clean Energy* program).

Project Type ☐ Condominium ☐ Cooperative ☐ Planned Unit Development (PUD) ☐ Property is not located in a project

L2. Title InformationTitle to the Property **Will** be Held in What Name(s):**For Refinance:** Title to the Property is **Currently** Held in What Name(s):**Estate Will be Held in**

- ☐ Fee Simple
☐ Leasehold Expiration Date ____ / ____ / ____ (mm/dd/yyyy)

Manner in Which Title Will be Held

- ☐ Sole Ownership ☐ Joint Tenancy with Right of Survivorship
☐ Life Estate ☐ Tenancy by the Entirety
☐ Tenancy in Common ☐ Other

Trust Information

- ☐ Title Will be Held by an *Inter Vivos (Living)* Trust
☐ Title Will be Held by a Land Trust

Indian Country Land Tenure

- ☐ Fee Simple On a Reservation
☐ Individual Trust Land (*Allotted/Restricted*)
☐ Tribal Trust Land On a Reservation
☐ Tribal Trust Land Off Reservation
☐ Alaska Native Corporation Land

L3. Mortgage Loan Information**Mortgage Type Applied For**

- ☐ Conventional ☐ USDA-RD
☐ FHA ☐ VA ☐ Other: _____

Terms of Loan

Note Rate _____ %

Loan Term _____ (months)

Mortgage Lien Type

- ☐ First Lien
☐ Subordinate Lien

Amortization Type

- ☐ Fixed Rate ☐ Other (explain): _____
☐ Adjustable Rate

If Adjustable Rate:

Initial Period Prior to First Adjustment _____ (months)

Subsequent Adjustment Period _____ (months)

Loan Features

- ☐ Balloon/ Balloon Term _____ (months)
☐ Interest Only / Interest Only Term _____ (months)
☐ Negative Amortization
☐ Prepayment Penalty / Prepayment Penalty Term _____ (months)
☐ Temporary Interest Rate Buydown/Initial Buydown Rate _____ %
☐ Other (explain): _____

Proposed Monthly Payment for Property

First Mortgage (P & I) \$ _____

Subordinate Lien(s) (P & I) \$ _____

Homeowner's Insurance \$ _____

Supplemental Property Insurance \$ _____

Property Taxes \$ _____

Mortgage Insurance \$ _____

Association/Project Dues (Condo, Co-Op, PUD) \$ _____

Other \$ _____

TOTAL \$ _____**Borrower Name(s):**

Uniform Residential Loan Application — Lender Loan Information

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back**DUE FROM BORROWER(S)**

A. Sales Contract Price	\$
B. Improvements, Renovations, and Repairs	\$
C. Land <i>(if acquired separately)</i>	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction <i>(See Table 3a. Property You Own)</i>	\$
E. Credit Cards and Other Debts Paid Off <i>(See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)</i>	\$
F. Borrower Closing Costs <i>(including Prepaid and Initial Escrow Payments)</i>	\$
G. Discount Points	\$
H. TOTAL DUE FROM BORROWER(s) (Total of A thru G)	\$

TOTAL MORTGAGE LOANS

I. Loan Amount Loan Amount Excluding Financed Mortgage Insurance <i>(or Mortgage Insurance Equivalent)</i> \$ _____ Financed Mortgage Insurance <i>(or Mortgage Insurance Equivalent)</i> Amount \$ _____	\$
J. Other New Mortgage Loans on the Property the Borrower(s) is Buying or Refinancing <i>(See Table 4b. Other New Mortgage Loans on the Property You are Buying or Refinancing)</i>	\$
K. TOTAL MORTGAGE LOANS (Total of I and J)	\$

TOTAL CREDITS

L. Seller Credits <i>(Enter the amount of Borrower(s) costs paid by the property seller)</i>	\$
M. Other Credits <i>(Enter the sum of all other credits — Borrower Paid Fees, Earnest Money, Employer Assisted Housing, Lease Purchase Fund, Lot Equity, Relocation Funds, Sweat Equity, Trade Equity, Other)</i>	\$
N. TOTAL CREDITS (Total of L and M)	\$

CALCULATION

TOTAL DUE FROM BORROWER(s) <i>(Line H)</i>	\$
LESS TOTAL MORTGAGE LOANS <i>(Line K)</i> AND TOTAL CREDITS <i>(Line N)</i>	– \$
Cash From/To the Borrower (Line H minus Line K and Line N) NOTE: This amount does not include reserves or other funds that may be required by the Lender to be verified.	\$

Borrower Name(s):

Uniform Residential Loan Application — Lender Loan Information

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

SERVICING DISCLOSURE STATEMENT

App. Date	Application No.	Loan Amount	Dept.	Collateral	Officer	Init.
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.						

Applicant:

Lender:

Washington Savings Bank
200 S Banker St.
P.O. Box 707
Effingham, IL 62401

SERVICING DISCLOSURE STATEMENT

NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED.

You are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2601 et seq.). RESPA gives you certain rights under Federal law. This statement describes whether the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest, and escrow payments, if any, as well as sending any monthly or annual statements, tracking account balances, and handling other aspects of your loan. You will be given advance notice before a transfer occurs.

Servicing Transfer Information

- ☒ We may assign, sell or transfer the servicing of your loan while the loan is outstanding.
- or
- ☐ We do not service mortgage loans of the type for which you applied. We intend to assign, sell, or transfer the servicing of your mortgage loan before the first payment is due.
- or
- ☐ The loan for which you have applied will be serviced at this financial institution and we do not intend to sell, transfer, or assign the servicing of the loan.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/WE HAVE READ THIS DISCLOSURE FORM, AND UNDERSTAND ITS CONTENTS, AS EVIDENCED BY MY/OUR SIGNATURES BELOW. I/WE UNDERSTAND THAT THIS ACKNOWLEDGMENT IS A REQUIRED PART OF THE MORTGAGE LOAN APPLICATION.

APPLICANT:

X _____ X _____
Applicant's Signature Date Co-Applicant's Signature Date



7455

CERTIFICATION AND AUTHORIZATION

Applicant:

Lender:

Washington Savings Bank
Main office
200 S Banker St
PO Box 707
Effingham, IL 62401

CERTIFICATION

To Washington Savings Bank ("Lender"):

1. Applicant (and co-applicant if applicable), _____, has applied for a loan from Lender. In applying for the loan, Applicant provided to Lender various information about Applicant and the requested loan, such as the amount and source of any downpayment, income information, and assets and liabilities. Applicant certifies that all of the information is true and complete. Applicant made no misrepresentations to Lender, nor did Applicant omit any important information.
2. Applicant understands and agrees that Lender may verify any information provided to Lender concerning Applicant's application, including, but without limitation, verifications from financial institutions of the information provided.
3. Applicant fully understands that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements when applying for this loan, as applicable under the provisions of Title 18, United States Code, Section 1014.

AUTHORIZATION TO RELEASE INFORMATION

To Whom It May Concern:

1. Applicant has applied for a loan from Washington Savings Bank ("Lender"). As part of the application process, Lender, any insurer of the loan and any collateral title insurer may verify information Applicant provided to Lender either before or after the loan is closed.
2. Applicant authorizes you to provide to Lender, to any investor to whom Lender may sell Applicant's loan, and to any insurer of the loan any and all information and documentation that they may request. Such information may include, but is not limited to, income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. Lender, any investor that purchases the loan, and any insurer of the loan may address and send this authorization to any person or company named in the loan application.
4. A copy of this authorization may be accepted as an original.
5. Your prompt reply to Washington Savings Bank, to any investor that purchases the loan, and to any insurer of the loan is appreciated.

AUTHORIZATION TO FILE FINANCING STATEMENT

Applicant hereby authorizes Lender to file the appropriate Financing Statements for the following collateral prior to executing a security agreement, pledge, or control agreement: _____

**CERTIFICATION AND AUTHORIZATION
(Continued)**

Page 2

APPLICANT:

X

Applicant

Date

X

Co-Applicant

Date

Form 4506-C (October 2022)	Department of the Treasury - Internal Revenue Service IVES Request for Transcript of Tax Return	OMB Number 1545-1872
--------------------------------------	---	-------------------------

Do not sign this form unless all applicable lines have been completed.

Request may be rejected if the form is incomplete or illegible.

For more information about Form 4506-C, visit www.irs.gov and search IVES.

1a. Current name			2a. Spouse's current name (if joint return and transcripts are requested for both taxpayers)		
i. First name	ii. Middle initial	iii. Last name/BMF company name	i. Spouse's first name	ii. Middle initial	iii. Spouse's last name
1b. First taxpayer identification number (see instructions)			2b. Spouse's taxpayer identification number (if joint return and transcripts are requested for both taxpayers)		
1c. Previous name shown on the last return filed if different from line 1a			2c. Spouse's previous name shown on the last return filed if different from line 2a		
i. First name	ii. Middle initial	iii. Last name	i. First name	ii. Middle initial	iii. Last name
3. Current address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)					
a. Street address (including apt., room, or suite no.)			b. City	c. State	d. ZIP code
4. Previous address shown on the last return filed if different from line 3 (see instructions)					
a. Street address (including apt., room, or suite no.)			b. City	c. State	d. ZIP code
5a. IVES participant name, ID number, SOR mailbox ID, and address					
i. IVES participant name			ii. IVES participant ID number	iii. SOR mailbox ID	
iv. Street address (including apt., room, or suite no.)			v. City	vi. State	vii. ZIP code
5b. Customer file number (if applicable) (see instructions)			5c. Unique identifier (if applicable) (see instructions)		
5d. Client name, telephone number, and address (this field cannot be blank or not applicable (NA))					
i. Client name					ii. Telephone number
iii. Street address (including apt., room, or suite no.)			iv. City	v. State	vi. ZIP code

Caution: This tax transcript is being sent to the third party entered on Line 5a and/or 5d. Ensure that lines 5 through 8 are completed before signing. (see instructions)

6. Transcript requested. Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request for line 6 transcripts		
a. Return Transcript ☐	b. Account Transcript ☐	c. Record of Account ☐
7. Wage and Income transcript (W-2, 1098-E, 1099-G, etc.) ☐		
a. Enter a max of three form numbers here; if no entry is made, all forms will be sent.		
b. Mark the checkbox for taxpayer(s) requesting the wage and income transcripts. If no box is checked, transcripts will be provided for all listed taxpayers		
Line 1a ☐	Line 2a ☐	
8. Year or period requested. Enter the ending date of the tax year or period using the mm dd yyyy format (see instructions)		
/ / / / / / / /		

Caution: Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or, if applicable, line 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign; however, if both spouses' names and TINs are listed in lines 1a-1b and 2a-2b, both spouses must sign the request. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-C on behalf of the taxpayer. **Note:** This form must be received by IRS within 120 days of the signature date.

☐ Signatory attests that he/she has read the above attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-C. See instructions.

Sign Here	Signature for Line 1a (see instructions)		Date	Phone number of taxpayer on line 1a or 2a
	☐ Form 4506-C was signed by an Authorized Representative		☐ Signatory confirms document was electronically signed	
	Print/Type name			
	Title (if line 1a above is a corporation, partnership, estate, or trust)			
	Spouse's signature (required if listed on Line 2a)			Date
	☐ Form 4506-C was signed by an Authorized Representative		☐ Signatory confirms document was electronically signed	
	Print/Type name			

Instructions for Form 4506-C, IVES Request for Transcript of Tax Return

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about Form 4506-C and its instructions, go to www.irs.gov and search IVES. Information about any recent developments affecting Form 4506-C (such as legislation enacted after we released it) will be posted on that page.

What's New. Form 4506-C includes the Client company requesting transcripts and increased the number of Wage and Income transcripts requests.

General Instructions

Caution: Do not sign this form unless all applicable lines have been completed.

Designated Recipient Notification. Section 6103(c) limits disclosure and use of return information received pursuant to the taxpayer's consent and holds the recipient subject to penalties for any unauthorized access, other use, or redisclosure without the taxpayer's express permission or request.

Taxpayer Notification. Section 6103(c) limits disclosure and use of return information provided pursuant to your consent and holds the recipient subject to penalties, brought by private right of action, for any unauthorized access, other use, or redisclosure without your express permission or request.

Purpose of form. Use Form 4506-C to request tax return information through an authorized IVES participant. You will designate an IVES participant to receive the information on line 5a.

Note: If you are unsure of which type of transcript you need, check with the party requesting your tax information.

Where to file. The IVES participant will fax Form 4506-C with the approved IVES cover sheet to their assigned Service Center.

Chart for ordering transcripts

If your assigned Service Center is:	Fax the requests with the approved coversheet to:
Austin Submission Processing Center	Austin IVES Team 844-249-6238
Kansas City Submission Processing Center	Kansas City IVES Team 844-249-8128
Ogden Submission Processing Center	Ogden IVES Team 844-249-8129

Specific Instructions

Line 1a/2a (if spouse is also requested). For IMF Requests: Enter the First, Middle Initial, and Last Name in the indicated fields. If all characters will not fit, please enter up to 12 for First name and 22 for Last name. For BMF Requests: Enter the company name in the Last Name field. If all characters will not fit, please enter up to 22.

Line 1b/2b (if spouse is also requested). Enter the social security number (SSN) or individual taxpayer identification number (ITIN) for the individual listed on line 1a including the dashes in the correct format, or enter the employer identification number (EIN) for the business listed on line 1a including the dashes in the correct format.

Line 1c/2c (if spouse is also requested). Enter your previous name as shown on your last filed tax return if different than line 1a.

Line 3. Enter your current address in the indicated fields. If you use a P.O. Box, include it and the number in the Current Address field.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note: If the addresses on lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party — Business, with Form 4506-C.

Line 5b. Enter up to 10 numeric characters to create a unique customer file number that will appear on the transcript. The customer file number cannot contain an SSN, ITIN or EIN. Completion of this line is not required.

Line 5c. Enter up to 10 alpha-numeric characters to create a unique identifier that will show in the mailbox file information. The unique identifier cannot contain an SSN, ITIN or EIN. Completion of this line is not required.

Note. If you use an SSN, we will not input the information and the customer file number or unique identifier will reflect a generic entry of "9999999999".

Line 5d. Enter the Client company name, address, and phone number in the indicated fields. A Client company receives the requested tax transcripts from the IVES participant. If the IVES participant is also the Client company, the IVES participant information should be entered on Line 5a and 5d. These fields cannot be blank or Not Applicable (NA).

Line 6. Enter only one tax form number (1040, 1065, 1120, etc.) per request for all line 6 transcripts request types.

Line 6a. Return Transcript includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120-H, Form 1120-L, and Form 1120-S. Return transcripts are available for the current year and returns processed during the prior 3 processing years.

Line 6b. Account Transcript contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns.

Line 6c. Record of Account provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript. Available for current year and 3 prior tax years.

Line 7. The IRS can provide a transcript that includes data from these information returns: Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript. Enter up to three information return types. If no specific type is requested, all forms will be provided. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, Form W-2 information for 2016, filed in 2017, will likely not be available from the IRS until 2018. If you need Form W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213.

Line 8. Enter the end date of the tax year or period requested in mm dd yyyy format. This may be a calendar year, fiscal year or quarter. Enter each quarter requested for quarterly returns. Example: Enter 12 31 2018 for a calendar year 2018 Form 1040 transcript.



You must check the box in the signature area to acknowledge you have the authority to sign and request the information. The form will not be processed if unchecked.

Signature and date. Form 4506-C must be signed and dated by the taxpayer listed on line 1a and, if listed, 2a. The IRS must receive Form 4506-C within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines, including lines 5a through 8, are completed before signing.

Authorized Representative: A representative can sign Form 4506-C for a taxpayer if the taxpayer has specifically delegated this authority to the representative on Form 2848, line 5a, and Form 2848 is attached to the Form 4506-C request. If you are Heir at Law, Next of Kin, or Beneficiary, you must be able to establish a material interest in the estate or trust. If Form 4506-C is signed by a representative, the Authorized Representative check box must be marked.

Electronic Signature: Only IVES participants that opt in to the Electronic Signature usage can accept electronic signatures. Contact the IVES participant for approval and guidance for electronic signatures. If the Form 4506-C is signed electronically, the Electronic Signature check box must be marked.

Individuals. Transcripts listed on line 6 may be furnished to either spouse if jointly filed. Signatures are required for all taxpayers listed on Line 1a and 2a.

Corporations. Generally, Form 4506-C can be signed by:

(1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer. A bona fide shareholder of record owning 1 percent or more of the outstanding stock of the corporation may submit a Form 4506-C but must provide documentation to support the requester's right to receive the information.

Partnerships. Generally, Form 4506-C can be signed by any person who was a member of the partnership during any part of the tax period requested on line 8.

All others. See section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the letters testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

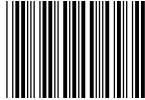
The time needed to complete and file Form 4506-C will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form 10 min.
Preparing the form 12 min.
Copying, assembling, and sending the form to the IRS 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-C simpler, we would be happy to hear from you. You can write to:

Internal Revenue Service
Tax Forms and Publications Division
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Do not send the form to this address. Instead, see Where to file on this page.



7469

INSURANCE DISCLOSURE FOR CREDIT APPLICATION

Applicant:

Lender:

Washington Savings Bank
Main office
200 S Banker St
PO Box 707
Effingham, IL 62401

IMPORTANT

DO NOT SIGN THIS FORM UNTIL YOU CAREFULLY
READ IT AND UNDERSTAND ITS CONTENT

Purpose.

You have submitted an application for a loan. In connection with your loan application, Lender may be soliciting, offering to sell, or will sell you an insurance product or annuity. Federal law requires Lender to provide you with the following disclosures.

Credit Disclosures.

1. Lender, as a condition of granting you a loan, cannot require that you purchase an insurance product or annuity from Lender or any of its affiliates.
2. Lender, as a condition of granting you a loan, cannot require your agreement not to obtain or prohibit you from obtaining an insurance product or annuity from an unaffiliated entity.

Acknowledgment.

BY SIGNING BELOW, I ACKNOWLEDGE THAT I HAVE READ, RECEIVED AND UNDERSTAND THIS INSURANCE DISCLOSURE.

APPLICANT:

X _____
Applicant Date

X _____
Co-Applicant Date

**INSURANCE DISCLOSURE FOR CREDIT APPLICATION
(Continued)**

Page 2

BY SIGNING BELOW I ACKNOWLEDGE ON BEHALF OF THE LENDER THAT AN ORAL DISCLOSURE OF INSURANCE WAS DULY MADE TO THE APPLICANT AND THAT APPLICANT ACKNOWLEDGED RECEIPT OF THE DISCLOSURE.

LENDER:

WASHINGTON SAVINGS BANK

X _____
Authorized Signer Date

Title: _____



7664

APPRAISAL NOTICE

App. Date	Application No.	Loan Amount	Dept.	Collateral	Officer	Init.
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.						

Applicant:

Lender:

Washington Savings Bank
Main office
200 S Banker St
PO Box 707
Effingham, IL 62401

Document Date:

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close.

You can pay for an additional appraisal for your own use at your own cost.

By signing below, you acknowledge receipt of this Appraisal Notice.

APPLICANT:

X _____	X _____
Applicant	Applicant
_____	_____
Date	Date

Your home loan toolkit

A step-by-step guide



Consumer Financial
Protection Bureau

How can this toolkit help you?

Buying a home is exciting and, let's face it, complicated. This booklet is a toolkit that can help you make better choices along your path to owning a home.

After you finish this toolkit:

- You'll know the most important steps you need to take to **get the best mortgage** for your situation Section 1: Page 3
- You'll better **understand your closing costs** and what it takes to buy a home Section 2: Page 16
- You'll see a few ways to **be a successful homeowner** Section 3: Page 24

How to use the toolkit:



The location symbol orients you to where you are in the home buying process.



The pencil tells you it is time to get out your pencil or pen to circle, check, or fill in numbers.



The magnifying glass highlights tips to help you research further to find important information.



The speech bubble shows you conversation starters for talking to others and gathering more facts.

About the CFPB

The Consumer Financial Protection Bureau is a federal agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Have a question about a common consumer financial product or problem? You can find answers by visiting consumerfinance.gov/askcfpb. Have an issue with a mortgage, student loan, or other financial product or service? You can submit a complaint to the CFPB. We'll forward your complaint to the company and work to get you a response. Turn to the back cover for details on how to submit a complaint or call us at (855) 411-2372.

This booklet was created to comply with federal law pursuant to 12 U.S.C. 2604, 12 CFR 1024.6, and 12 CFR 1026.19(g).

Choosing the best mortgage for you



You're starting to look for a mortgage or want to confirm you made a good decision.

To make the most of your mortgage, you need to decide what works for you and then shop around to find it. In this section, you'll find eight steps to get the job done right.

1. Define what affordable means to you

Only you can decide how much you are comfortable paying for your housing each month. In most cases, your lender can consider only if you are able to repay your mortgage, not whether you will be comfortable repaying your loan. Based on your whole financial picture, think about whether you want to take on the mortgage payment plus the other costs of homeownership such as appliances, repairs, and maintenance.

IN THIS SECTION

1. Define what affordable means to you
2. Understand your credit
3. Pick the mortgage type that works for you
4. Choose the right down payment for you
5. Understand the trade-off between points and interest rate
6. Shop with several lenders
7. Choose your mortgage
8. Avoid pitfalls and handle problems



THE TALK

Ask your spouse, a loved one, or friend about what affordable means to you:

"What's more important—a bigger home with a larger mortgage or more financial flexibility?"

"How much do we want to budget for all the monthly housing costs, including repairs, furniture, and new appliances?"

"What will a mortgage payment mean for other financial goals?"



KNOW YOUR NUMBERS

Calculate the home payment you can take on by filling in the worksheets below:

Think about what an affordable home loan looks like for you. These worksheets can help. First, estimate your total monthly home payment. Second, look at the percentage of your income that will go toward your monthly home payment. Third, look at how much money you will have available to spend on the rest of your monthly expenses.

Step 1. Estimate your total monthly home payment by adding up the items below

Your **total monthly home payment** is more than just your mortgage. There are more expenses that go along with owning your home. Start with estimates and adjust as you go.

MONTHLY ESTIMATE	
Principal and interest (P&I) Your principal and interest payment depends on your home loan amount, the interest rate, and the number of years it takes to repay the loan. Principal is the amount you pay each month to reduce the loan balance. Interest is the amount you pay each month to borrow money. Many principal and interest calculators are available online.	\$
Mortgage insurance Mortgage insurance is often required for loans with less than a 20% down payment.	+ \$
Property taxes The local assessor or auditor's office can help you estimate property taxes for your area. If you know the yearly amount, divide by 12 and write in the monthly amount.	+ \$
Homeowner's insurance You can call one or more insurance agents to get an estimate for homes in your area. Ask if flood insurance is required.	+ \$
Homeowner's association or condominium fees, if they apply Condominiums and other planned communities often require homeowner's association (HOA) fees.	+ \$
My estimated total monthly home payment	= \$

Step 2. Estimate the percentage of your income spent on your monthly home payment

Calculate the percentage of your total monthly income that goes toward your total monthly home payment each month. A mortgage lending rule of thumb is that **your total monthly home payment should be at or below 28% of your total monthly income before taxes**. Lenders may approve you for more or for less depending on your overall financial picture.

$$\begin{array}{rclcl} \$ & \div & \$ & \times 100 & = & \% \\ \hline \text{My estimated total monthly} & & \text{My total monthly income} & & & \text{Percentage of my income} \\ \text{home payment (from step 1)} & & \text{before taxes} & & & \text{going toward my monthly} \\ & & & & & \text{home payment} \end{array}$$

Step 3. Estimate what is left after subtracting your monthly debts

To determine whether you are comfortable with your total monthly home payment, figure out how much of your income is left after you pay for your housing plus your other monthly debts.

Total monthly income <i>after taxes</i>	\$
My estimated total monthly home payment (from step 1)	
Monthly car payment(s)	– \$
Monthly student loan payment(s)	– \$
Monthly credit card payment(s)	– \$
Other monthly payments, such as child support or alimony	– \$
Total monthly income minus all debt payments This money must cover your utilities, groceries, child care, health insurance, repairs, and everything else. If this isn't enough, consider options such as buying a less expensive home or paying down debts.	= \$

Step 4. Your choice

I am comfortable with a total monthly home payment of: \$

2. Understand your credit

Your credit, your credit scores, and how wisely you shop for a loan that best fits your needs have a significant impact on your mortgage interest rate and the fees you pay. To improve your credit and your chances of getting a better mortgage, get current on your payments and stay current. About 35% of your credit scores are based on whether or not you pay your bills on time. About 30% of your credit scores are based on how much debt you owe. That's why you may want to consider paying down some of your debts.

RESEARCH STARTER

Check out interest rates and make sure you're getting the credit you've earned.

- ☐ Get your credit report at annualcreditreport.com and check it for errors. If you find mistakes, submit a request to each of the credit bureaus asking them to fix the mistake. For more information about correcting errors on your credit report, visit consumerfinance.gov/askcfpb.
- ☐ For more on home loans and credit, visit consumerfinance.gov/owning-a-home.

TIP

Be careful making any big purchases on credit before you close on your home. Even financing a new refrigerator could make it harder for you to get a mortgage.

TIP

Correcting errors on your credit report may raise your score in 30 days or less. It's a good idea to correct errors before you apply for a mortgage.

NOW

- If your credit score is below 700, you will likely pay more for your mortgage.
- Most credit scoring models are built so you can shop for a mortgage within a certain period—generally between 14 days and 45 days—with little or no impact on your score. If you shop outside of this period, any change triggered by shopping should be minor—a small price to pay for saving money on a mortgage loan.

IN THE FUTURE

- If you work on improving your credit and wait to buy a home, you will likely save money. Some people who improve their credit save \$50 or \$100 on a typical monthly mortgage payment.
- An average consumer who adopts healthy credit habits, such as paying bills on time and paying down credit cards, could see a credit score improvement in three months or more.

YOUR CHOICE

Check one:

- ☐ I will go with the credit I have. **OR** ☐ I will wait a few months or more and work to improve my credit.

3. Pick the mortgage type—fixed or adjustable—that works for you

With a **fixed-rate mortgage**, your principal and interest payment stays the same for as long as you have your loan.

- Consider a fixed-rate mortgage if you want a predictable payment.
- You may be able to refinance later if interest rates fall or your credit or financial situation improves.

With an **adjustable-rate mortgage (ARM)**, your payment often starts out lower than with a fixed-rate loan, but your rate and payment could increase quickly. It is important to understand the trade-offs if you decide on an ARM.

- Your payment could increase a lot, often by hundreds of dollars a month.
- Make sure you are confident you know what your maximum payment could be and that you can afford it.

Planning to sell your home within a short period of time? That's one reason some people consider an ARM. But, you probably shouldn't count on being able to sell or refinance. Your financial situation could change. Home values may go down or interest rates may go up.

You can learn more about ARMs in the Consumer Handbook on Adjustable Rate Mortgages (files.consumerfinance.gov/f/201401_cfpb_booklet_charm.pdf) or by visiting consumerfinance.gov/owning-a-home.

TIP

Many borrowers with ARMs underestimate how much their interest rates can rise.

YOUR CHOICE Check one:

☐ I prefer a fixed-rate mortgage. **OR** ☐ I prefer an adjustable-rate mortgage.

Check for risky loan features

Some loans are safer and more predictable than others. It is a good idea to make sure you are comfortable with the risks you are taking on when you buy your home. You can find out if you have certain types of risky loan features from the Loan Terms section on the first page of your Loan Estimate.

A **balloon payment** is a large payment you must make, usually at the end of your loan repayment period. Depending on the terms of your loan, the balloon payment could be as large as the entire balance on your mortgage.

A **prepayment penalty** is an amount you have to pay if you refinance or pay off your loan early. A prepayment penalty may apply even if you sell your home.

4. Choose the right down payment for you

A down payment is the amount you pay toward the home yourself. You put a percentage of the home's value down and borrow the rest through your mortgage loan.



YOUR DOWN PAYMENT	WHAT THAT MEANS FOR YOU
☐ I will put down 20% or more.	A 20% or higher down payment likely provides the best rates and most options. However, think twice if the down payment drains all your savings.
☐ I will put down between 5% and 19%.	You probably have to pay higher interest rates or fees. Lenders most likely require private mortgage insurance (PMI). PMI is an insurance policy that lets you make a lower down payment by insuring the lender against loss if you fail to pay your mortgage. Keep in mind when you hear about “no PMI” offers that doesn’t mean zero cost. No PMI offers often have higher interest rates and may also require you to take out a second mortgage. Be sure you understand the details.
☐ I will make no down payment or a small one of less than 5%.	Low down payment programs are typically more expensive because they may require mortgage insurance or a higher interest rate. Look closely at your total fees, interest rate, and monthly payment when comparing options. Ask about loan programs such as: ▪ Conventional loans that may offer low down payment options. ▪ FHA, which offers a 3.5% down payment program. ▪ VA, which offers a zero down payment option for qualifying veterans. ▪ USDA, which offers a similar zero down payment program for eligible borrowers in rural areas.

The advantages of prepayment

Prepayment is when you make additional mortgage payments so you pay down your mortgage early. This reduces your overall cost of borrowing, and you may be able to cancel your private mortgage insurance early and stop paying the premium. Especially if your down payment is less than 20%, it may make sense to make additional payments to pay down your loan earlier.

TIP

Prepayment is your choice. You don’t have to sign up for a program or pay a fee to set it up.

5. Understand the trade-off between points and interest rate

Points are a percentage of a loan amount. For example, when a loan officer talks about one point on a \$100,000 loan, the loan officer is talking about one percent of the loan, which equals \$1,000. Lenders offer different interest rates on loans with different points. There are three main choices you can make about points. You can decide you don't want to pay or receive points at all. This is called a **zero point loan**. You can pay points at closing to receive a lower interest rate. Or you can choose to have points paid to you (also called **lender credits**) and use them to cover some of your closing costs.

The example below shows the trade-off between points as part of your closing costs and interest rates. In the example, you borrow \$180,000 and qualify for a 30-year fixed-rate loan at an interest rate of 5.0% with zero points. Rates currently available may be different than what is shown in this example.

COMPARE THREE SCENARIOS OF HOW POINTS AFFECT INTEREST RATE

RATE	4.875%	5.0%	5.125%
POINTS	+0.375	0	-0.375
YOUR SITUATION	You plan to keep your mortgage for a long time. You can afford to pay more cash at closing.	You are satisfied with the market rate without points in either direction.	You don't want to pay a lot of cash upfront and you can afford a larger mortgage payment.
YOU MAY CHOOSE	Pay points now and get a lower interest rate. This will save you money over the long run.	Zero points.	Pay a higher interest rate and get a lender credit toward some or all of your closing costs.
WHAT THAT MEANS	You might agree to pay \$675 more in closing costs, in exchange for a lower rate of 4.875%. Now: You pay \$675 Over the life of the loan: Pay \$14 less each month	With no adjustments in either direction, it is easier to understand what you're paying and to compare prices.	You might agree to a higher rate of 5.125%, in exchange for \$675 toward your closing costs. Now: You get \$675 Over the life of the loan: Pay \$14 more each month

6. Shop with several lenders

You've figured out what affordable means for you. You've reviewed your credit and the kind of mortgage and down payment that best fits your situation. Now is the time to start shopping seriously for a loan. The work you do here could save you thousands of dollars over the life of your mortgage.

GATHER FACTS AND COMPARE COSTS

☐ Make a list of several lenders you will start with

Mortgages are typically offered by community banks, credit unions, mortgage brokers, online lenders, and large banks. These lenders have loan officers you can talk to about your situation.

☐ Get the facts from the lenders on your list

Find out from the lenders what loan options they recommend for you, and the costs and benefits for each. For example, you might find a discount is offered for borrowers who have completed a home buyer education program.

☐ Get at least three offers—in writing—so that you can compare them

Review the decisions you made on [pages 4 to 8](#) to determine the loan type, down payment, total monthly home payment and other features to shop for. Now ask at least three different lenders to give you a **Loan Estimate**, which is a standard form showing important facts about the loan. It should be sent to you within three days, and it shouldn't be expensive. Lenders can charge you only a small fee for getting your credit report—and some lenders provide the Loan Estimate without that fee.

☐ Compare Total Loan Costs

Review your Loan Estimates and compare Total Loan Costs, which you can see under *Section D* at the bottom left of the second page of the Loan Estimate. **Total Loan Costs** include what your lender charges to make the loan, as well as costs for services such as appraisal and title. The third page of the Loan Estimate shows the **Annual Percentage Rate** (APR), which is a measure of your costs over the loan term expressed as a rate. Also shown on the third page is the **Total Interest Percentage** (TIP), which is the total amount of interest that you pay over the loan term as a percentage of your loan amount. **You can use APR and TIP to compare loan offers.**

RESEARCH STARTER

Loan costs can vary widely from lender to lender, so this is one place where a little research may help you save a lot of money. Here's how:

☐ Ask real estate and title professionals about average costs in your area.

☐ Learn more about loan costs, and get help comparing options, at consumerfinance.gov/owning-a-home.

TIP

A loan officer is not necessarily shopping on your behalf or providing you with the best fit or lowest cost loan.

TIP

It is illegal for a lender to pay a loan officer more to steer you into a higher cost loan.

THE TALK

Talking to different lenders helps you to know what options are available and to feel more in control. Here is one way to start the conversation:

“This mortgage is a big decision and I want to get it right. Another lender is offering me a different loan that may cost less. Let’s talk about what the differences are and whether you may be able to offer me the best deal.”



TRACK YOUR LOAN OFFERS

Fill in the blanks for these important factors:

	LOAN OFFER 1	LOAN OFFER 2	LOAN OFFER 3
Lender name			
Loan amount	\$	\$	\$
Interest rate	%	%	%
	☐ Fixed ☐ Adjustable	☐ Fixed ☐ Adjustable	☐ Fixed ☐ Adjustable
Monthly principal and interest	\$	\$	\$
Monthly mortgage insurance	\$	\$	\$
Total Loan Costs <i>(See section D on the second page of your Loan Estimate.)</i>	\$	\$	\$

My best loan offer is: _____

7. Choose your mortgage

You've done a lot of hard work to get this far! Now it is time to make your call.



CONFIRM YOUR DECISION

Check the box if you agree with the statement:

- ☐ I can repay this loan.
- ☐ I am comfortable with my monthly payment.
- ☐ I shopped enough to know this is a good deal for me.
- ☐ There are no risky features such as a balloon payment or prepayment penalty I can't handle down the road.
- ☐ I know whether my principal and interest payment will increase in the future.

Still need advice? The U.S. Department of Housing and Urban Development (HUD) sponsors housing counseling agencies throughout the country to provide free or low-cost advice. To find a HUD-approved housing counselor visit consumerfinance.gov/find-a-housing-counselor or call HUD's interactive voice system at (800) 569-4287.

Intent to proceed

When you receive a Loan Estimate, the lender has not yet approved or denied your loan. Up to this point, they are showing you what they expect to offer if you decide to move forward with your application. You have not committed to this lender. In fact, you are not committed to any lender before you have signed final closing documents.

Once you have found your best mortgage, the next step is to tell the loan officer you want to proceed with that mortgage application. This is called expressing your **intent to proceed**. Lenders have to wait until you express your intent to proceed before they require you to pay an application fee, appraisal fee, or most other fees.

Rate lock

Your Loan Estimate may show a rate that has been "locked" or a rate that is "floating," which means it can go up or down. Mortgage interest rates change daily, sometimes hourly. A **rate lock** sets your interest rate for a period of time. Rate locks are typically available for 30, 45, or 60 days, and sometimes longer.

The interest rate on your Loan Estimate is not a guarantee. If your rate is floating and it is later locked, your interest rate will be set at that later time. Also, if there are changes in your application—including your loan amount, credit score, or verified income—your rate and terms will probably change too. In those situations, the lender gives you a revised Loan Estimate.

There can be a downside to a rate lock. It may be expensive to extend if your transaction needs more time. And, a rate lock may lock you out of better market pricing if rates fall.

THE TALK

Rate lock policies vary by lender. Choosing to lock or float your rate can make an important difference in your monthly payment. To avoid surprises, ask:

“What does it mean if I lock my rate today?”

“What rate lock time frame does this Loan Estimate provide?”

“Is a shorter or longer rate lock available, and at what cost?”

“What if my closing is delayed and the rate lock expires?”

“If I lock my rate, are there any conditions under which my rate could still change?”

8. Avoid pitfalls

WHAT NOT TO DO	WHY?
Don't sign documents where important details are left blank or documents you don't understand.	You are agreeing to repay a substantial amount of money over an extended period of time. Make sure you know what you are getting into and protect yourself from fraud.
Don't assume you are on your own.	HUD-approved housing counselors can help you navigate the process and find programs available to help first-time homebuyers. You can find a HUD-approved housing counselor in your area at consumerfinance.gov/find-a-housing-counselor or call HUD's interactive voice system at (800) 569-4287.
Don't take on more mortgage than you want or can afford.	Make certain that you want the loan that you are requesting and that you are in a position to live up to your end of the bargain.
Don't count on refinancing, and don't take out a loan if you already know you will have to change it later.	If you are not comfortable with the loan offered to you, ask your lender if there is another option that works for you. Keep looking until you find the right loan for your situation.
Don't fudge numbers or documents.	You are responsible for an accurate and truthful application. Be upfront about your situation. Mortgage fraud is a serious offense.
Don't hide important financial information.	Hiding negative information may delay or derail your loan application.

Handle problems

WHAT HAPPENED	WHAT TO DO ABOUT IT
I have experienced a problem with my loan application or how my loan officer is treating me.	Ask to talk to a supervisor. It may be a good idea to talk to the loan officer first, and if you are not satisfied, ask to speak with a supervisor.
I think I was unlawfully discriminated against when I applied for a loan or when I tried to buy a home.	The Fair Housing Act and Equal Credit Opportunity Act prohibit housing and credit discrimination. If you think you have been discriminated against during any part of the mortgage process, you can submit a complaint and describe what happened. To do so, you can call the Consumer Financial Protection Bureau at (855) 411-2372 or visit consumerfinance.gov/complaint. Submit a complaint to the U.S. Department of Housing and Urban Development (HUD) by calling (800) 669-9777, TTY (800) 927-9275. Or, file a complaint online at HUD.gov. You can find more information about your rights and how to submit a complaint with the CFPB at consumerfinance.gov/fair-lending.
I have a complaint.	Submit a complaint to the Consumer Financial Protection Bureau if you have problems at any stage of the mortgage application or closing process, or later if you have problems making payments or become unable to pay. You can call (855) 411-2372 or visit consumerfinance.gov/complaint .
I think I may have been the victim of a predatory lender or a loan fraud.	Don't believe anyone who tells you they are your "only chance to get a loan," or that you must "act fast." Learn the warning signs of predatory lending and protect yourself. Find more information at portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/OHC_PREDLEND/OHC_LOANFRAUD. You could learn more about your loan officer at nmlsconsumeraccess.org.

Your closing



You've chosen a mortgage. Now it's time to select and work with your closing agent.

Once you've applied for a mortgage, you may feel like you're done. But mortgages are complicated and you still have choices to make.

IN THIS SECTION

1. Shop for mortgage closing services
2. Review your revised Loan Estimate
3. Understand and use your Closing Disclosure

1. Shop for mortgage closing services

Once you've decided to move forward with a lender based on the Loan Estimate, you are ready to shop for the **closing agent** who gathers all the legal documents, closes the loan, and handles the money involved in your purchase. After you apply for a loan, your lender gives you a list of companies that provide closing services. You may want to use one of the companies on the list. Or, you may be able to choose companies that are not on the list if your lender agrees to work with your choice. The seller cannot require you to buy a title insurance policy from a particular title company.

Closing agent

In most of the country, a settlement agent does your closing. In other states, particularly several states in the West, the person is known as an escrow agent. And in some states, particularly in the Northeast and South, an attorney may be required.



RESEARCH STARTER

When you compare closing agents, look at both cost and customer service.

- ☐ Ask your real estate professional and your friends. These people may know companies they would recommend. Be sure to ask how that company handled problems and if they have a good reputation.

TIP

Settlement services may feel like a drop in the bucket compared to the cost of the home. But in some states borrowers who shop around may save hundreds of dollars.

- Review the list of companies your lender gave you. Select a few companies on the list and ask for references from people who recently bought a home. Ask those people how the company handled problems that came up during the transaction.

Title insurance

When you purchase your home, you receive a document most often called a deed, which shows the seller transferred their legal ownership, or “title,” to the home to you. **Title insurance** can provide protection if someone later sues and says they have a claim against the home. Common claims come from a previous owner’s failure to pay taxes or from contractors who say they were not paid for work done on the home before you purchased it.

Most lenders require a **Lender’s Title Insurance** policy, which protects the amount they lent. You may want to buy an **Owner’s Title Insurance** policy, which protects your financial investment in the home. The Loan Estimate you receive lists the Owner’s Title Insurance policy as optional if your lender does not require the policy as a condition of the loan.

Depending on the state where you are buying your home, your title insurance company may give you an itemized list of fees at closing. This itemized list may be required under state law and may be different from what you see on your Loan Estimate or Closing Disclosure. That does not mean you are being charged more. If you add up all the title-related costs your title insurance company gives you, it should match the totals of all the title-related costs you see on your Loan Estimate or Closing Disclosure. When comparing costs for title insurance, make sure to compare the bottom line total.

Home inspector and home appraiser

When you are considering buying a home, it is smart to check it out carefully to see if it is in good condition. The person who does this for you is called a **home inspector**. The inspector works for you and should tell you whether the home you want to buy is in good condition and whether you are buying a “money pit” of expensive repairs. Get your inspection before you are finally committed to buy the home.

A home inspector is different from a **home appraiser**. The appraiser is an independent professional whose job is to give the lender an estimate of the home’s market value. You are entitled to a copy of the appraisal prior to your closing. This allows you to see how the price you agreed to pay compares to similar and recent property sales in your area.

2. Review your revised Loan Estimate

When important information changes, your lender is required to give you a new Loan Estimate that shows your new loan offer.

It is illegal for a lender to quote you low fees and costs for its services on your Loan Estimate and then surprise you with much higher costs in a revised Loan Estimate or Closing Disclosure. However, a lender may change the fees it quotes you for its services if the facts on your application were wrong or changed, you asked for a change, your lender found you did not qualify for the original loan offer, or your Loan Estimate expired.

Here are common reasons why your Loan Estimate might change:

- You decided to change loan programs or the amount of your down payment.
- The appraisal on the home you want to buy came in higher or lower than expected.
- You took out a new loan or missed a payment and that has changed your credit.
- Your lender could not document your overtime, bonus, or other income.

THE TALK

If your Loan Estimate is revised you should look it over to see what changed. Ask your lender:

"Can you explain why I received a new Loan Estimate?"

"How is my loan transaction different from what I was originally expecting?"

"How does this change my loan amount, interest rate, monthly payment, cash to close, and other loan features?"

3. Understand and use your Closing Disclosure

You've chosen a home you want to buy and your offer has been accepted. You've also applied for and been approved for a mortgage. Now you are ready to take legal possession of the home and promise to repay your loan.

At least three days before your closing, you should get your official **Closing Disclosure**, which is a five-page document that gives you more details about your loan, its key terms, and how much you are paying in fees and other costs to get your mortgage and buy your home.

Many of the costs you pay at closing are set by the decisions you made when you were shopping for a mortgage. Charges shown under "services you can shop for" may increase at closing, but generally by no more than 10% of the costs listed on your final Loan Estimate.

The Closing Disclosure breaks down your closing costs into two big categories:

YOUR LOAN COSTS

- The lender's **Origination Costs** to make or "originate" the loan, along with application fees and fees to underwrite your loan. **Underwriting** is the lender's term for making sure your credit and financial information is accurate and you meet the lender's requirements for a loan.
- Discount points—that is, additional money you pay up front to reduce your interest rate.
- Services you shopped for, such as your closing or settlement agent and related title costs.
- Services your lender requires for your loan. These include appraisals and credit reports.

OTHER COSTS

- Property taxes.
- Homeowner's insurance premiums. You can shop around for homeowner's insurance from your current insurance company, or many others, until you find the combination of premium, coverage, and customer service that fits your situation. Your lender will ask you for proof you have an insurance policy on your new home.
- Any portion of your total mortgage payment you must make before your first full payment is due.
- Flood insurance, if required.

RESEARCH STARTER

Get tips, a step-by-step checklist, and help with the rest of the documents you'll see at closing at consumerfinance.gov/owning-a-home.

Take out your own Closing Disclosure, or review the example here. Double-check that you clearly understand what you'll be expected to pay—over the life of your loan and at closing.

Review your monthly payment. Part of it goes to repay what you borrowed (and may build equity in your new home), and part of it goes to pay interest (which doesn't build equity). Equity is the current market value of your home minus the amount you still owe on your mortgage.

Be prepared to bring the full "Cash to Close" amount with you to your closing. This amount includes your down payment and closing costs. The closing costs are itemized on the following pages.

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	Borrower	Michael Jones and Mary Stone	Loan Term	30 years
Closing Date	4/15/2013		123 Anywhere Street	Purpose	Purchase
Disbursement Date	4/15/2013	Seller	Anytown, ST 12345	Product	Fixed Rate
Settlement Agent	Epsilon Title Co.		Steve Cole and Amy Doe		
File #	12-3456	Lender	321 Somewhere Drive	Loan Type	☒ Conventional ☐ FHA
Property	456 Somewhere Ave Anytown, ST 12345		Anytown, ST 12345	☐ VA ☐	
Sale Price	\$180,000			Loan ID #	123456789
				MIC #	000654321

Loan Terms		Can this amount increase after closing?
Loan Amount	\$162,000	NO
Interest Rate	3.875%	NO
Monthly Principal & Interest <i>See Projected Payments below for your Estimated Total Monthly Payment</i>	\$761.78	NO
		Does the loan have these features?
Prepayment Penalty		YES • As high as \$3,240 if you pay off the loan during the first 2 years
Balloon Payment		NO

Projected Payments			
Payment Calculation	Years 1-7	Years 8-30	
Principal & Interest	\$761.78	\$761.78	
Mortgage Insurance	+ 82.35	+ —	
Estimated Escrow <i>Amount can increase over time</i>	+ 206.13	+ 206.13	
Estimated Total Monthly Payment	\$1,050.26	\$967.91	
Estimated Taxes, Insurance & Assessments <i>Amount can increase over time</i> <i>See page 4 for details</i>	\$356.13 a month	This estimate includes ☒ Property Taxes ☒ Homeowner's Insurance ☒ Other: Homeowner's Association Dues <i>See Escrow Account on page 4 for details. You must pay for other property costs separately.</i>	
		In escrow? YES YES NO	

Costs at Closing		
Closing Costs	\$9,712.10	Includes \$4,694.05 in Loan Costs + \$5,018.05 in Other Costs – \$0 in Lender Credits. See page 2 for details.
Cash to Close	\$14,147.26	Includes Closing Costs. See Calculating Cash to Close on page 3 for details.

CLOSING DISCLOSURE

PAGE 1 OF 5 • LOAN ID # 123456789

Closing Disclosure, page 1. The most important facts about your loan are on the first page.

Origination charges are fees your lender charges to make your loan. Some closing costs are fees paid to the providers selected by your lender. Some are fees you pay to providers you chose on your own.

Homeowner's insurance is often paid in advance for the first full year. Also, some taxes and other fees need to be paid in advance.

Closing Cost Details

Loan Costs		Borrower-Paid		Seller-Paid		Paid by Others
		At Closing	Before Closing	At Closing	Before Closing	
A. Origination Charges		\$1,802.00				
01	0.25 % of Loan Amount (Points)	\$405.00				
02	Application Fee	\$300.00				
03	Underwriting Fee	\$1,097.00				
04						
05						
06						
07						
08						
B. Services Borrower Did Not Shop For		\$236.55				
01	Appraisal Fee to John Smith Appraisers Inc.		\$29.80			\$405.00
02	Credit Report Fee to Information Inc.					
03	Flood Determination Fee to Info Co.	\$20.00				
04	Flood Monitoring Fee to Info Co.	\$31.75				
05	Tax Monitoring Fee to Info Co.	\$75.00				
06	Tax Status Research Fee to Info Co.	\$80.00				
07						
08						
09						
10						
C. Services Borrower Did Shop For		\$2,655.50				
01	Pest Inspection Fee to Pests Co.	\$120.50				
02	Survey Fee to Surveys Co.	\$85.00				
03	Title - Insurance Binder to Epsilon Title Co.	\$650.00				
04	Title - Lender's Title Insurance to Epsilon Title Co.	\$500.00				
05	Title - Settlement Agent Fee to Epsilon Title Co.	\$500.00				
06	Title - Title Search to Epsilon Title Co.	\$800.00				
07						
08						
D. TOTAL LOAN COSTS (Borrower-Paid)		\$4,694.05				
Loan Costs Subtotals (A + B + C)		\$4,664.25	\$29.80			
Other Costs						
E. Taxes and Other Government Fees		\$85.00				
01	Recording Fees Deed: \$40.00 Mortgage: \$45.00	\$85.00				
02	Transfer Tax to Any State			\$950.00		
F. Prepaids		\$2,120.80				
01	Homeowner's Insurance Premium (12 mo.) to Insurance Co.	\$1,209.96				
02	Mortgage Insurance Premium (mo.)					
03	Prepaid Interest (\$17.44 per day from 4/15/13 to 5/1/13)	\$279.04				
04	Property Taxes (6 mo.) to Any County USA	\$631.80				
05						
G. Initial Escrow Payment at Closing		\$412.25				
01	Homeowner's Insurance \$100.83 per month for 2 mo.	\$201.66				
02	Mortgage Insurance per month for mo.					
03	Property Taxes \$105.30 per month for 2 mo.	\$210.60				
04						
05						
06						
07						
08	Aggregate Adjustment	- 0.01				
H. Other		\$2,400.00				
01	HOA Capital Contribution to HOA Acre Inc.	\$500.00				
02	HOA Processing Fee to HOA Acre Inc.	\$150.00				
03	Home Inspection Fee to Engineers Inc.	\$750.00				
04	Home Warranty Fee to XYZ Warranty Inc.			\$450.00	\$750.00	
05	Real Estate Commission to Alpha Real Estate Broker			\$5,700.00		
06	Real Estate Commission to Omega Real Estate Broker			\$5,700.00		
07	Title - Owner's Title Insurance (optional) to Epsilon Title Co.	\$1,000.00				
08						
I. TOTAL OTHER COSTS (Borrower-Paid)		\$5,018.05				
Other Costs Subtotals (E + F + G + H)		\$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)		\$9,712.10				
Closing Costs Subtotals (D + I)		\$9,682.30	\$29.80	\$12,800.00	\$750.00	\$405.00
Lender Credits						

CLOSING DISCLOSURE

PAGE 2 OF 5 • LOAN ID # 123456789

Escrow

An escrow or impound account is a special account where monthly insurance and tax payments are held until they are paid out each year. You get a statement showing how much money your lender or mortgage servicer plans to require for your escrow or impound account.

You also get an annual analysis showing what happened to the money in your account. Your lender must follow federal rules to make sure they do not end up with a large surplus or shortage in your escrow or impound account.

Details of your closing costs appear on page 2 of the Closing Disclosure.



USE YOUR CLOSING DISCLOSURE TO CONFIRM THE DETAILS OF YOUR LOAN

Circle one. If you answer no, turn to the page indicated for more information:

The interest rate is what I was expecting based on my Loan Estimate. **YES / NO** (see page 10)

I know whether I have a prepayment penalty or balloon payment. **YES / NO** (see page 7)

I know whether or not my payment changes in future years. **YES / NO** (see page 7)

I see whether I am paying points or receiving points at closing. **YES / NO** (see page 9)

I know whether I have an escrow account. **YES / NO** (see above)

Calculating Cash to Close

Closing costs are only a part of the total cash you need to bring to closing.

Summaries of Transactions

The section at the bottom of the page sums up how the money flows among you, the lender, and the seller.

Loan Disclosures

Page 4 breaks down what is and is not included in your escrow or impound account. Make sure you understand what is paid from your escrow account and what you are responsible for paying yourself.

Top image: A summary of important financial information appears on page 3 of the Closing Disclosure.

Bottom image: More details of your loan appear on page 4 of your Closing Disclosure.

Calculating Cash to Close		Use this table to see what has changed from your Loan Estimate.	
	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	\$8,054.00	\$9,712.10	YES - See Total Loan Costs (D) and Total Other Costs (I)
Closing Costs Paid Before Closing	\$0	– \$29.80	YES - You paid these Closing Costs before closing
Closing Costs Financed (Paid from your Loan Amount)	\$0	\$0	NO
Down Payment/Funds from Borrower	\$18,000.00	\$18,000.00	NO
Deposit	– \$10,000.00	– \$10,000.00	NO
Funds for Borrower	\$0	\$0	NO
Seller Credits	\$0	– \$2,500.00	YES - See Seller Credits in Section L
Adjustments and Other Credits	\$0	– \$1,035.04	YES - See details in Sections K and L
Cash to Close	\$16,054.00	\$14,147.26	

Summaries of Transactions		Use this table to see a summary of your transaction.	
BORROWER'S TRANSACTION		SELLER'S TRANSACTION	
K. Due from Borrower at Closing	\$189,762.30	M. Due to Seller at Closing	\$180,080.00
01 Sale Price of Property	\$180,000.00	01 Sale Price of Property	\$180,000.00
02 Sale Price of Any Personal Property Included in Sale		02 Sale Price of Any Personal Property Included in Sale	
03 Closing Costs Paid at Closing (J)	\$9,682.30	03	
04		04	
Adjustments		05	
05		06	
06		07	
07		08	
Adjustments for Items Paid by Seller in Advance		Adjustments for Items Paid by Seller in Advance	
08 City/Town Taxes to		09 City/Town Taxes to	
09 County Taxes to		10 County Taxes to	
10 Assessments to		11 Assessments to	
11 HOA Dues 4/15/13 to 4/30/13	\$80.00	12 HOA Dues 4/15/13 to 4/30/13	\$80.00
12		13	
13		14	
14		15	
15		16	
L. Paid Already by or on Behalf of Borrower at Closing	\$175,615.04	N. Due from Seller at Closing	\$115,665.04
01 Deposit	\$10,000.00	01 Excess Deposit	
02 Loan Amount	\$162,000.00	02 Closing Costs Paid at Closing (J)	\$12,800.00
03 Existing Loan(s) Assumed or Taken Subject to		03 Existing Loan(s) Assumed or Taken Subject to	
04		04 Payoff of First Mortgage Loan	\$100,000.00
05 Seller Credit	\$2,500.00	05 Payoff of Second Mortgage Loan	

Additional Information About This Loan

Loan Disclosures											
Assumption If you sell or transfer this property to another person, your lender ☐ will allow, under certain conditions, this person to assume this loan on the original terms. ☒ will not allow assumption of this loan on the original terms.	Escrow Account For now, your loan ☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.										
Demand Feature Your loan ☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details. ☒ does not have a demand feature.	<table><tr><th colspan="2">Escrow</th></tr><tr><td>Escrowed Property Costs over Year 1</td><td>\$2,473.56 Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes</td></tr><tr><td>Non-Escrowed Property Costs over Year 1</td><td>\$1,800.00 Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.</td></tr><tr><td>Initial Escrow Payment</td><td>\$412.25 A cushion for the escrow account you pay at closing. See Section G on page 2.</td></tr><tr><td>Monthly Escrow Payment</td><td>\$206.13 The amount included in your total monthly payment.</td></tr></table>	Escrow		Escrowed Property Costs over Year 1	\$2,473.56 Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes	Non-Escrowed Property Costs over Year 1	\$1,800.00 Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.	Initial Escrow Payment	\$412.25 A cushion for the escrow account you pay at closing. See Section G on page 2.	Monthly Escrow Payment	\$206.13 The amount included in your total monthly payment.
Escrow											
Escrowed Property Costs over Year 1	\$2,473.56 Estimated total amount over year 1 for your escrowed property costs: Homeowner's Insurance Property Taxes										
Non-Escrowed Property Costs over Year 1	\$1,800.00 Estimated total amount over year 1 for your non-escrowed property costs: Homeowner's Association Dues You may have other property costs.										
Initial Escrow Payment	\$412.25 A cushion for the escrow account you pay at closing. See Section G on page 2.										
Monthly Escrow Payment	\$206.13 The amount included in your total monthly payment.										
Late Payment If your payment is more than 15 days late, your lender will charge a late fee of 5% of the monthly principal and interest payment.	☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.										
Negative Amortization (Increase in Loan Amount) Under your loan terms, you ☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property. ☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property. ☒ do not have a negative amortization feature.	<table><tr><th colspan="2">No Escrow</th></tr><tr><td>Estimated Property Costs over Year 1</td><td>Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.</td></tr><tr><td>Escrow Waiver Fee</td><td></td></tr></table>	No Escrow		Estimated Property Costs over Year 1	Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.	Escrow Waiver Fee					
No Escrow											
Estimated Property Costs over Year 1	Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.										
Escrow Waiver Fee											
Partial Payments Your lender ☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan. ☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan. ☐ does not accept any partial payments. If this loan is sold, your new lender may have a different policy.	In the future, Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.										
Security Interest You are granting a security interest in 456 Somewhere Ave., Anytown, ST 12345											
You may lose this property if you do not make your payments or satisfy other obligations for this loan.											

Finance Charge

In addition to paying back the amount you are borrowing, you pay a lot of interest over the life of the loan. This is why it is worthwhile to shop carefully for the best loan for your situation.

Annual Percentage Rate (APR)

Your **APR** is your total cost of credit stated as a rate. Your APR is generally higher than your interest rate, because the APR takes into consideration all the costs of your loan, over the full term of the loan.

If anything on the Closing Disclosure is not clear to you, ask your lender or settlement agent, "What does this mean?"

Loan Calculations		Other Disclosures			
Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	\$285,803.36	Appraisal If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.			
Finance Charge. The dollar amount the loan will cost you.	\$118,830.27	Contract Details See your note and security instrument for information about • what happens if you fail to make your payments, • what is a default on the loan, • situations in which your lender can require early repayment of the loan, and • the rules for making payments before they are due.			
Amount Financed. The loan amount available after paying your upfront finance charge.	\$162,000.00	Liability after Foreclosure If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan, ☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information. ☐ state law does not protect you from liability for the unpaid balance.			
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%	Refinance Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.			
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%	Tax Deductions If you borrow more than this property is worth, the interest on the loan amount above this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.			

Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at www.consumerfinance.gov/mortgage-closing

Contact Information					
	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature _____ Date _____

CLOSING DISCLOSURE

Co-Applicant Signature _____ Date _____

PAGE 5 OF 5 • LOAN ID # 123456789

Loan calculations, disclosures, and contact information for your files are on page 5 of the Closing Disclosure.

NOW

- Now you've spent time understanding what you need to do and what you need to pay, as a new homeowner.
- Now is the time to step back and feel sure you want to proceed with the loan.

IN THE FUTURE

- If you are not comfortable with your mortgage and your responsibility to make payments, you might not be able to keep your home.
- If you've made a careful decision about what you can afford and the mortgage you wanted, you will be able to balance owning your home and meeting your other financial goals.

Owning your home



Now you've closed on your mortgage and the home is yours.

Owning a home is exciting. And your home is also a large investment. Here's how to protect that investment.

1. Act fast if you get behind on your payments

If you fall behind on your mortgage, the company that accepts payments on your mortgage contacts you. This company is your **mortgage servicer**. Your servicer is required to let you know what options are available to avoid foreclosure. Talk to your mortgage servicer if you get into trouble, and call a housing counselor (see [page 12](#) for contact information). HUD-approved counselors are professionals who can help you, often at little or no charge to you.

Homeowners struggling to pay a mortgage should beware of scammers promising to lower mortgage payments. Only your mortgage servicer can evaluate you for a loan modification. If you suspect a scam you can call (855) 411-2372 or visit consumerfinance.gov/complaint.

2. Keep up with ongoing costs

Your mortgage payment is just one part of what it costs to live in your new home. Your escrow account holds your monthly taxes and homeowner's insurance payments—but if you have no escrow account, you need to keep up with these on your own. Your home needs maintenance and repairs, so budget and save for these too.

IN THIS SECTION

1. Act fast if you get behind on your payments
2. Keep up with ongoing costs
3. Determine if you need flood insurance
4. Understand Home Equity Lines of Credit (HELOCs) and refinancing

3. Determine if you need flood insurance

Flooding causes more than \$8 billion in damages in the United States in an average year. You can protect your home and its contents from flood damage. Depending on your property location, your home is considered either at high-risk or at moderate-to-low risk for a flood. Your insurance premium varies accordingly. You can find out more about flood insurance at [FloodSmart.gov](https://www.floodsmart.gov). Private flood insurance could also be available.

Although you may not be required to maintain flood insurance on all structures, you may still wish to do so, and your mortgage lender may still require you to do so to protect the collateral securing the mortgage. If you choose to not maintain flood insurance on a structure, and it floods, you are responsible for all flood losses relating to that structure.

4. Understand Home Equity Lines of Credit (HELOCs) and refinancing

Homeowners sometimes decide they want to borrow against the value of their home to help remodel or pay for other large expenses. One way to do this is with a **Home Equity Line of Credit** (HELOC). You can learn more about HELOCs at files.consumerfinance.gov/f/201401_cfpb_booklet_heloc.pdf.

Financial counselors caution homeowners against using a HELOC to wipe out credit card debt. If you use a HELOC as a quick fix to a serious spending problem, you could end up back in debt and lose your home.

If you decide to take out a HELOC or refinance your mortgage, the Truth in Lending Act (TILA) gives you the **right to rescind**, meaning you can change your mind and cancel the loan. But you can only rescind a refinance or HELOC within three days of receiving a proper notice of the right to rescind from your lender. You cannot rescind if you are using your HELOC to buy a home.

In the case of a refinance, consider how long it will take for the monthly savings to pay for the cost of the refinance. Review the closing costs you paid for your original loan to purchase the home. Refinancing costs can be about the same amount. A common rule of thumb is to proceed only if the new interest rate saves you that amount over about two years (in other words, if you break even in about two years).

★ Congratulations!

You have accomplished a lot. It is not easy—you should feel proud of the work you've done.



Online tools

CFPB website

consumerfinance.gov

Answers to common questions

consumerfinance.gov/askcfpb

Tools and resources for home buyers

consumerfinance.gov/owning-a-home

Talk to a housing counselor

consumerfinance.gov/find-a-housing-counselor



General inquiries

Consumer Financial Protection Bureau

1700 G Street NW

Washington DC 20552



Submit a complaint

Online

consumerfinance.gov/complaint

By phone

855-411-CFPB (2372);

TTY/TDD 855-729-CFPB (2372);

8 a.m. to 8 p.m. Eastern Time, Monday-Friday

By fax

855-237-2392

By mail

Consumer Financial Protection Bureau

P.O. Box 4503

Iowa City, Iowa 52244



Share your thoughts

[Facebook.com/cfpb](https://www.facebook.com/cfpb)

[Twitter.com/cfpb](https://twitter.com/cfpb)