

## **FIXED RATE SECOND MORTGAGE**

### **WHY NOT LET THE EQUITY IN YOUR HOME WORK FOR YOU?**

Having equity in your home is a huge advantage of home ownership. You can use your equity for home improvements, tuition, debt consolidation, etc. Educational Systems Federal Credit Union makes selecting a Fixed Rate Second Mortgage Loan that meets your needs easy. Repayment terms up to 15 years available.

### **HOW MUCH CAN I BORROW?**

You may apply to borrow up to 90% of your home's value minus your first mortgage balance. A mortgage loan representative will be glad to assist you in deciding which term best suits your budget.

### **ARE THERE ANY TAX ADVANTAGES?**

Unlike most consumer loans and high interest credit cards, the interest you pay on a Fixed Rate Second Mortgage Loan may be tax deductible. Educational Systems Federal Credit Union recommends that you consult with your personal tax advisor.

### **ARE THERE CLOSING COSTS OR FEES INVOLVED?**

There are no points or application fees. A property valuation is required. Closing costs vary and depend on the location of the property and the amount of the loan. They typically range between \$800 and \$2,000.

Customary closing costs at closing will be paid by the Credit Union. The closing costs will be recouped by the Credit Union if the loan is paid off and closed within 36 months.

### **WHAT DOCUMENTS DO I NEED TO PROVIDE?**

You will need to provide the completed application, two most recent pay stubs on each borrower (or equivalent income verification), a copy of a government issued ID for all borrowers, a copy of your monthly mortgage statement along with a copy of your Homeowner's Insurance Declarations page. Additional information may be required.

### **HOW LONG WOULD THE PROCESS TAKE?**

Once all of the required documentation is received, settlement generally occurs within 30 business days. Funds would then be disbursed after the required rescission period expires (3 business days).

### **HOW DO I APPLY?**

You can submit your application and documents by:

- [Website](#)
- Email to [mortgagecenter@esfcu.org](mailto:mortgagecenter@esfcu.org)
- Fax to 240.599.7421
- Mail - Educational Systems FCU, PO Box 179, Greenbelt, MD 20768-0179
- Bring to any Educational Systems FCU branch location

If you need assistance or have any questions, please contact us at **301.779.8500 ext. 5401**.

## FIXED RATE SECOND MORTGAGE

### INTEREST RATE INFORMATION

| Loan Type        | Term           | APR    | Monthly Payment Per \$1,000 | Rate As Low As |
|------------------|----------------|--------|-----------------------------|----------------|
| Home Equity Loan | Up to 5 years  | 5.25%  | \$.949                      | 5.25%          |
|                  | Up to 10 years | 5.75%* | \$.548*                     | 5.75%          |
|                  | Up to 15 years | 6.75%  | \$.442                      | 6.75%          |

The Annual Percentage Rate (APR) is determined by your credit score, Loan-to-Value (LTV) and repayment term. Some restrictions may apply. Consult your tax advisor to determine whether the interest is tax deductible. Rate subject to change without notice.

\* Monthly payment example: A loan of \$50,000 financed for 10 years would be  $\$0.548 \times 1,000 = \$548$  per month; your loan will have a total cost of \$65,760 ( $\$548 \times 120$ ).

## Express Application

**Individual Credit:** You must complete the **Applicant** section about yourself and the **Other** section about your spouse if:  
 1. you live in or the property pledged as collateral is located in a community property state (AK, AZ, CA, ID, LA, NM, NV, TX, WA, WI),  
 2. your spouse will use the account, or  
 3. you are relying on your spouse's income as a basis for repayment. If you are relying on income from alimony, child support, or separate maintenance, complete the **Other** section to the extent possible about the person on whose payments you are relying.

**Joint Credit:** Each Applicant must **individually** complete the appropriate section below. If Co-Borrower is spouse of the Applicant, mark the Co-Applicant box.

**Guarantor:** Complete the **Other** section if you are a guarantor on an account/loan.

Check below to indicate the type of account(s) and type of credit for which you are applying. Married Applicants: May apply for a separate account.

|  |                                       |                           |  |
|--|---------------------------------------|---------------------------|--|
| <input type="checkbox"/> Individual Credit | <input type="checkbox"/> Joint Credit | TYPE OF CREDIT REQUESTED: | <input type="checkbox"/> HOME EQUITY LINE OF CREDIT  |
|  |                                       |                           | <input type="checkbox"/> FIXED RATE SECOND MORTGAGE  |
| Amount Requested \$                        | TERM REQUESTED:                       |                           | <input type="checkbox"/> 5 Years <input type="checkbox"/> 10 Years <input type="checkbox"/> 15 Years |
| Purpose:                                   | Property Address:                     |                           |  |

|                           |   |
|---------------------------|---|
| <b>PAYMENT PROTECTION</b> | Are you interested in having your loan protected? <input type="checkbox"/> Yes <input type="checkbox"/> No  |
|                           | If you answer "yes", the credit union will disclose the cost to protect your loan. The protection is voluntary and does not affect your loan approval. In order for your loan to be covered, you will need to sign a separate application that explains the terms and conditions. |

|  |  |
|--|--|
| <b>APPLICANT</b>   | <input type="checkbox"/> CO-APPLICANT <input type="checkbox"/> SPOUSE <input type="checkbox"/> OTHER   |
| NAME   | NAME   |
| ACCOUNT NUMBER   | ACCOUNT NUMBER   |
| SOCIAL SECURITY NUMBER   | DRIVER'S LICENSE NUMBER/STATE  |
| BIRTH DATE    HOME PHONE    CELL PHONE    BUSINESS PHONE/EXT.  | BIRTH DATE    HOME PHONE    CELL PHONE    BUSINESS PHONE/EXT.  |
| EMAIL ADDRESS  | EMAIL ADDRESS  |
| PRESENT ADDRESS (Street - City - State - Zip)  | PRESENT ADDRESS Street - City - State - Zip)   |
| <input type="checkbox"/> OWN <input type="checkbox"/> RENT   | <input type="checkbox"/> OWN <input type="checkbox"/> RENT   |
| LENGTH AT RESIDENCE  | LENGTH AT RESIDENCE  |
| If residing at present address for less than 2 years, complete the following:  | If residing at present address for less than 2 years, complete the following:  |
| PREVIOUS ADDRESS (Street - City - State - Zip)   | PREVIOUS ADDRESS Street - City - State - Zip)  |
| <input type="checkbox"/> OWN <input type="checkbox"/> RENT   | <input type="checkbox"/> OWN <input type="checkbox"/> RENT   |
| LENGTH AT RESIDENCE  | LENGTH AT RESIDENCE  |
| COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed) | COMPLETE FOR JOINT CREDIT, SECURED CREDIT OR IF YOU LIVE IN A COMMUNITY PROPERTY STATE: <input type="checkbox"/> MARRIED <input type="checkbox"/> SEPARATED <input type="checkbox"/> UNMARRIED (Single - Divorced - Widowed) |
| <b>EMPLOYMENT/INCOME</b>   | <b>EMPLOYMENT/INCOME</b>   |
| NAME OF EMPLOYER   | NAME OF EMPLOYER   |
| TITLE/POSITION/TYPE OF BUSINESS  | TITLE/POSITION/TYPE OF BUSINESS  |
| STARTING DATE  | STARTING DATE  |
| IF EMPLOYED IN CURRENT POSITION LESS THAN TWO YEARS, COMPLETE PREVIOUS EMPLOYER NAME   | IF EMPLOYED IN CURRENT POSITION LESS THAN TWO YEARS, COMPLETE PREVIOUS EMPLOYER NAME   |
| TITLE/POSITION/TYPE OF BUSINESS  | TITLE/POSITION/TYPE OF BUSINESS  |
| STARTING DATE  | STARTING DATE  |
| ENDING DATE  | ENDING DATE  |
| NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.  | NOTICE: ALIMONY, CHILD SUPPORT, OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT CHOOSE TO HAVE IT CONSIDERED.  |
| EMPLOYMENT INCOME  | EMPLOYMENT INCOME  |
| \$ _____ Per _____   | \$ _____ Per _____   |
| <input type="checkbox"/> NET <input type="checkbox"/> GROSS  | <input type="checkbox"/> NET <input type="checkbox"/> GROSS  |
| OTHER INCOME   | OTHER INCOME   |
| \$ _____ Per _____   | \$ _____ Per _____   |
| SOURCE   | SOURCE   |

| REAL ESTATE OWNED  |       |                    | Check box for Applicant/Other.   |   |  |      |    |
|--|-------|--------------------|--|---|--|------|----|
| APPLICANT  | OTHER |                    | LIST addresses of your home and all other properties you own.<br>For Example: House, Land, Timeshare, etc. | MARKET VALUE  | PLEGED AS COLLATERAL<br>FOR ANOTHER LOAN |      |    |
|  |       | HOME*              |  | \$  |  | YES  | NO |
|  |       |                    |  | \$  |  | YES  | NO |
|  |       |                    |  | \$  |  | YES  | NO |
| <b>*LIST ALL LIENS AGAINST YOUR HOME -- This section must be completed for the property which will be given as security.</b><br>A lien is a legal claim filed against property as security for payment of a debt. Liens include mortgages, deeds of trust, land contracts, judgments and past due taxes.   |       |                    |  |   |  |      |    |
| FIRST MORTGAGE HELD BY   |       |                    |  | OTHER LIENS (Describe)  |  |      |    |
| PRESENT BALANCE \$   |       | MONTHLY PAYMENT \$ |  | INTEREST RATE %   |  |      |    |
| IS THE PROPERTY DESCRIBED IN THIS SECTION: YOUR PRINCIPAL DWELLING? <input type="checkbox"/> YES <input type="checkbox"/> NO   |       |                    |  | IS ANYONE OTHER THAN YOUR SPOUSE A PART OWNER OF YOUR HOME? <input type="checkbox"/> YES <input type="checkbox"/> NO  |  |      |    |
| LISTED AS THE APPLICANT'S ADDRESS IN THE "APPLICANT INFORMATION" SECTION? <input type="checkbox"/> YES <input type="checkbox"/> NO   |       |                    |  |   |  |      |    |
| <b>FINANCIAL INFORMATION</b> These questions apply to both Applicant and Other.  |       |                    |  |   |  |      |    |
| IF A "YES" ANSWER IS GIVEN TO A QUESTION, EXPLAIN ON AN ATTACHED SHEET   |       |                    |  |   |  |      |    |
| DO YOU HAVE ANY OUTSTANDING JUDGMENTS?   |       |                    |  |   |  |      |    |
| HAVE YOU EVER FILED FOR BANKRUPTCY OR HAD A DEBT ADJUSTMENT PLAN CONFIRMED UNDER CHAPTER 13?   |       |                    |  |   |  |      |    |
| HAVE YOU HAD PROPERTY FORECLOSED UPON OR GIVEN A DEED IN LIEU OF FORECLOSURE IN THE LAST 7 YEARS?  |       |                    |  |   |  |      |    |
| ARE YOU A PARTY IN A LAWSUIT?  |       |                    |  |   |  |      |    |
| ARE YOU OTHER THAN A U.S. CITIZEN OR PERMANENT RESIDENT ALIEN?   |       |                    |  |   |  |      |    |
| IS YOUR INCOME LIKELY TO DECLINE IN THE NEXT TWO YEARS?  |       |                    |  |   |  |      |    |
| ARE YOU A CO-MAKER, CO-SIGNER OR GUARANTOR ON ANY LOAN NOT LISTED ABOVE?   |       |                    |  |   |  |      |    |
| FOR WHOM (Name of Others Obligated on Loan):   |       |                    |  | TO WHOM (Name of Creditor):   |  |      |    |
| <b>SIGNATURES</b>  |       |                    |  |   |  |      |    |
| You promise that everything you have stated in this application is correct to the best of your knowledge. If there are any important changes you will notify us in writing immediately. You authorize the Credit Union to obtain credit reports in connection with this application for credit and for any update, increase, renewal, extension, or collection of the credit received. |       |                    |  | You understand that the Credit Union will rely on the information in this application and your credit report to make its decision. If you request, the Credit Union will tell you the name and address of any credit bureau from which it received a credit report on you. It is a crime to willfully and deliberately provide incomplete or incorrect information in this application. |  |      |    |
| <div>X</div> (SEAL)  |       |                    |  | <div>X</div> (SEAL)   |  |      |    |
| APPLICANT'S SIGNATURE  |       | DATE               |  | OTHER SIGNATURE   |  | DATE |    |
| LOAN ORIGINATOR ORGANIZATION   |       |                    |  | NMLSR ID NUMBER   |  |      |    |
| LOAN ORIGINATOR  |       |                    |  | NMLSR ID NUMBER   |  |      |    |

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 (e.g. ethnicity, race and sex) 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 "Hispanic or Latino" origins 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, race and sex on the basis of visual observation and surname. If you do not wish to provide some or all of this information, please check below.

**Check one or more that apply.**

**Applicant name**
**Co-Applicant name**
**Applicant**
**Co-Applicant**
**Ethnicity**
**Ethnicity**
☐ Hispanic or Latino

☐ Hispanic or Latino

☐ Mexican

☐ Mexican

☐ Puerto Rican

☐ Puerto Rican

☐ Cuban

☐ Cuban

☐ Other Hispanic or Latino

☐ Other Hispanic or Latino

Print origin below (e.g. Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, etc.):

Print origin below (e.g. Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, etc.):

☐ Not Hispanic or Latino

☐ Not Hispanic or Latino

☐ I do not wish to provide this information

☐ I do not wish to provide this information

**Race**
**Race**
☐ American Indian or Alaska Native

☐ American Indian or Alaska Native

Print name of enrolled or principal tribe:

Print name of enrolled or principal tribe:

☐ Asian

☐ Asian

☐ Asian Indian

☐ Asian Indian

☐ Chinese

☐ Chinese

☐ Filipino

☐ Filipino

☐ Japanese

☐ Japanese

☐ Korean

☐ Korean

☐ Vietnamese

☐ Vietnamese

☐ Other Asian

☐ Other Asian

Print race (e.g. Hmong, Laotian, Thai, Pakistani, Cambodian, etc.):

Print race (e.g. Hmong, Laotian, Thai, Pakistani, Cambodian, etc.):

**Applicant name**

**Co-Applicant name**

**Applicant**

**Co-Applicant**

- ☐ Black or African American
- ☐ Native Hawaiian or Other Pacific Islander
- ☐ Native Hawaiian
- ☐ Guamanian or Chamorro
- ☐ Samoan
- ☐ Other Pacific Islander
- Print race (e.g. Fijian, Tongan, etc.):

- ☐ Black or African American
- ☐ Native Hawaiian or Other Pacific Islander
- ☐ Native Hawaiian
- ☐ Guamanian or Chamorro
- ☐ Samoan
- ☐ Other Pacific Islander
- Print race (e.g. Fijian, Tongan, etc.):

☐ White

☐ White

☐ I do not wish to provide this information

☐ I do not wish to provide this information

**Sex**

**Sex**

- ☐ Female
- ☐ Male

- ☐ Female
- ☐ Male

☐ I do not wish to provide this information

☐ I do not wish to provide this information

To be completed by financial institution (for an application taken in person):

|  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| Was the ethnicity of the Applicant collected on the basis of visual observation or surname?    | <input type="checkbox"/> | <input type="checkbox"/> |
| Was the ethnicity of the Co-Applicant collected on the basis of visual observation or surname? | <input type="checkbox"/> | <input type="checkbox"/> |
| Was the race of the Applicant collected on the basis of visual observation or surname?         | <input type="checkbox"/> | <input type="checkbox"/> |
| Was the race of the Co-Applicant collected on the basis of visual observation or surname?      | <input type="checkbox"/> | <input type="checkbox"/> |
| Was the sex of the Applicant collected on the basis of visual observation or surname?          | <input type="checkbox"/> | <input type="checkbox"/> |
| Was the sex of the Co-Applicant collected on the basis of visual observation or surname?       | <input type="checkbox"/> | <input type="checkbox"/> |