

This application is designed to be completed by the applicant(s) with the lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower" as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan. If this is an application for joint credit, Borrower and Co-borrower each agree that we intend to apply for joint credit (sign below).

Borrower's Signature				Co-Borrower's Signature			
			Type of Mortg	age			
Conventional:		Other: First Time Home Buyer			Home Equity LoanHome Equity Line of Credit		
		🖾 Jumbo			Fixed Ra	ate 「	Variable Rate
Agency Case No.	Lender C	ase No.	Amount \$		Interest Rate %		No. of Months
		Р	roperty Inform	ation			
Property Address (s	treet, city, s	state, zip	code and county)		No. of	Units
						Year B	uilt
Legal Description of	Subject Pro	operty (at	tach additional s	heet if	necessary)		
Purpose	of Loan			P	Property w i	ill be	
🗖 Purchase 🏾	Refinance	2	Primary Residence Secondary Residence				
C Oth	ner		Investment				
	Co	omplete t	this section for	refina	ance only		
Year Acquired	Origina	al Cost \$		Amour	nt of Existing	g Liens	\$
		P	urpose of Refi	nance			
Describe Improvem	ents						le 🗖 To Be Made
Name(s) in which Title will be held					Cost \$ Estate will be held in		will be held in
Manner in which Title will be held						🔲 Leas	Simple sehold expiration date)
Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)							



Borrower Information								
			Co-Bor	rower				
Name				Name	1			
Address				Address				
	_			2		_		
Own	Rent		No. of Years	Own		Rent		No. of Years
Telephone Num	iber			Telephon		ber		
Marital Status				Marital S				
Date of Birth				Date of E				
Social Security				Social Se	-	lumber		
Years of School			1	Years of	School			
Number of Dep			Ages	Number	•			Ages
	If less than	2 years	s at present addi	ress, pleas	e comp	lete the f	ollowing	
Address				Address				
Own	Rent		No. of Years	Own		Rent		No. of Years
	Informa	tion	Co-Bor	FOUGF				
	Borrow	ei					Tower	
Self Employe				Self Er				
Name of Emplo	yer			Name of Employer				
Address				Address				
Telephone				Telephor	ne			
Position/Title/T	ype of Busine	ess		Position/Title/Type of Business				
				No. of Vorya				
No. of Years			ly Income	No. of Years Monthly Income			/ Income	
Ife	emploved by	\$ this em	ployer less than	1 2 vears. I	please (complete i	\$ the follow	vina.
			ttach additional					
🗖 Self Employe	d			Self Employed				
Name of Emplo	yer			Name of Employer				
Address				Address				
				T - 1 1				
Telephone				Telephone				
Position/Title/T	ype of Busine	ess		Position/	Title/Ty	pe of Bus	siness	
No. of Years		Month	ly Income	No. of Ye	ears		Monthly	/ Income
		\$,				\$,



V	onthly Inc	ome and Com	bined Hou	ising Expense Ir	formation	
Gross Monthly Income	Borrower	Co-Borrower	Total	Housing Expense	Present	Proposed
Base Employment Income	\$	\$	\$	Rent	\$	\$
Overtime	\$	\$	\$	First Mortgage (P&I)	\$	\$
Bonuses	\$	\$	\$	Other Financing (P&I)	\$	\$
Commission	\$	\$	\$	Hazard Insurance	\$	\$
Dividends or Interest	\$	\$	\$	Real Estate Taxes	\$	\$
Net Rental Income	\$	\$	\$	Mortgage Insurance	\$	\$
0.1	\$	\$	\$	Homeowner Association Dues	\$	\$
Other	\$	\$	\$	Other	\$	\$
Total	\$	\$	\$	Total	\$	\$

Notice: Alimony, child support or separate maintenance income need not be revealed if the Borrower (B) or Co-borrower (C) does not choose to have it considered for repaying this loan.

В	С	Monthly Amount
		\$
		\$
		\$



This statement and any applicable supporting schedules may be completed jointly by both married and unmarried co-borrowers if their assets and liabilities are sufficiently joined so that the statement can be meaningfully and fairly presented on a combined basis; otherwise separate statements and schedules are required. If the co-borrower section was completed about a spouse, this statement and supporting schedules must be completed about the spouse also.

	Ass	sets		
Cash depo	osit toward purchase held by:			Cash or Market Value \$
Bank Na	me & Address	Balance		
Bank Nam	ie		No./Type	
Address				\$
Bank Nam	ie			\$
Address				
Bank Nam	ie			\$
Address				
Stocks a	nd Bonds		Description	Value
Company	Name			\$
Address				
Company	Name			\$
Address				
Company	Name			\$
Address				
Life Insu	rance			
Net Cash Face Amo		Accour	nt Number	Balance \$
	Subt	otal of	Liquid Assets	\$
Vested Interest in Retirement Fund				\$
Market Value of Real Estate Owned (from schedule of real estate)			\$	
Automobiles Owned Year			Value \$ \$	
Net worth	of Businesses Owned (attach financial	stateme	ent)	\$
Other Ass	ets			\$ \$
		\$		



		Liabilities			
	ditor's name, address and account numb al estate loans, alimony, child support, s		debts, including a	auto loans, revolvii	ng charge
Creditor		Account Number/Type	Monthly Payment	Months Remaining	Unpaid Balance
Name					
Address			\$		\$
Name					
Address			\$		\$
Name					
Address			\$		\$
Name					
Address			\$		\$
Name					
Address			\$		\$
Name					
Address			\$		\$
Name					
Address			\$		\$
Name					
Address			\$		\$
Alimony/0	Child Support/Separate maintenar	nce Payments Owe	d to		\$
Job Relat	ed Expenses (child care, union du	ies, etc.)			\$
				ly Payments	
			Tot	al Liabilities	\$



		Schedule	e of Real Estate	Owned				
Property Address	Property Type	Market Value	Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Tax & Misc.	Net Rental Income	
List any additional nam	nes under v	which credi	t has previously b	een receiv	ed and indiv	cate:		
Creditor Name								
		Det	ails of Transact	ion				
A. Purchase price				\$				
B. Alterations, improv	ements, rep	oairs		\$				
C. Land (if acquired se	eparately)			\$				
D. Refinance (includes	s debts to b	e paid off)		\$				
E. Estimated prepaid i	items			\$				
F. Estimated closing c	osts			\$				
G. PMI, MIP, Funding	fee			\$				
H. Discounts (if borrow	wer will pay	/)		\$				
	I. Tota	l costs (a	dd above items)	\$				
J. Subordinate financi	ng			\$				
K. Borrower's Closing	Costs Paid	By Seller		\$				
L. Other Credits (expl	ain below)			\$				
M. Loan Amount (exclude PMI, MIP, Funding Fee Financed)								
N. PMI, MIP, Funding		-		\$ \$				
P. Cash From/To Borr	and O from I)	\$ \$						



Declarations	Borrower	Co-Borrower
Are there any outstanding judgments against you?	🔽 Yes 🔲 No	🗖 Yes 📮 No
Have you been declared bankrupt within the past 7 years?	🔽 Yes 🔽 No	🔽 Yes 🔲 No
Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	🔽 Yes 🔽 No	Yes No
Are you party to a lawsuit?	🖾 Yes 🔽 No	🗖 Yes 🗖 No
Have you directly or indirectly been obligated on any loan, which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured, (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)	🏹 Yes 🗖 No	TYes TNO
Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond or loan guarantee? If "Yes", give detail as described in the preceding question.	Yes 🗖 No	Yes No
Are you obligated to pay alimony, child support, or separate maintenance?	TYes No	Yes No
Is any part of the down payment borrowed?	🔽 Yes 🔲 No	🔽 Yes 🔽 No
Are you the co-maker or endorser on a note?	🔽 Yes 🔽 No	🔽 Yes 🔽 No
Are you a U.S. citizen?	🔽 Yes 🔲 No	🗖 Yes 📮 No
Are you a permanent resident alien?	🔽 Yes 🔽 No	🗖 Yes 📮 No
Do you intend to occupy the property as your primary residence? If "Yes", complete question m below.	Tyes I No	Yes No
Have you had an ownership interest in a property in the last three years?	🔽 Yes 🗖 No	Yes No
What type of property did you own - principal residence (PR), second home (SH), or investment property (IP)?	PR SH IP	PR SH IP
How did you hold title to the home - solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	Γς Γρ Γο	□S □P □O



Acknowledgement and Agreement

The undersigned specifically acknowledge(s) and agree(s) that:(1) The loan requested by this application will be secured by a mortgage or deed of trust on the property described herein; (2) the property will not be used for any illegal or prohibited purpose or use; (3) all statements made in this application are made for the purpose of obtaining the loan indicated herein; (4) occupancy of the property will be as indicated; (5) verification or re-verification of any information contained in the application may be made at any time by the lender, its agents, successors and assigns, either directly or through a credit reporting agency, from any source named in this application, and the original copy of this application will be retained by the lender, even if the loan is not approved; (6) the lender, its agents, successors and assigns will rely on the information contained in the application if any of the material facts which I/we have represented herein should change prior to closing; (7) in the event my/our payments on the loan indicated in this application become delinquent, the lender, its agents, successors and assign of the lender without notice to me and/or the administration of the loan account may be transferred to an agent, successor or assign of the lender with prior notice to me; (9) the lender, its agents, successors and assigns make no representations or warranties, expressed or implied, to the borrower(s) regarding the property, the condition of the property, or the value of the property.

Right to Receive Copy of Appraisal. I/We have the right to a copy of the appraisal report used in connection with this application for credit. To obtain a copy, I/We must send Lender a written request at the mailing address Lender has provided. Lender must hear from me/us no later than 90 days after Lender notifies me/us about the action taken on this application, or I/We withdraw this application.

Certification: I/we certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq. and liability for monetary damages to the lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to the reliance upon any misrepresentation which I/we have made on this application.

•	B	orrower	. ,		Co-borrower	
Signature				Sign	ature	
Date				Date		
		Information For	Governn	nent l	Monitoring Purposes	

The following information is requested by the Federal Government for certain types of loans related to a dwelling, in order to monitor the Lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this Lender is required to note race and sex on the basis of visual observation or surname. If you do not wish to furnish the information, please check the box below. (Lender must review the material to assure that the disclosures satisfy all requirements to which the Lender is subject under applicable state law for the particular type of loan applied for.)

- FF /	Borrower		Co-Borrower				
「 I do not wish to f	urnish this information.		I do not wish to furnish this information.				
Ethnicity			Ethnicity				
🗆 Hispanic or Latino 🛛 🗖 Not Hispanic or Latino			🔲 Hispanic or Latino	🔟 Not Hispanic or I	Latino		
Race:			Race:				
🗖 Asian	🔲 Black or African A	merican	Asian	🔲 Black or African	American		
🔲 American Indian	0r Alaskan Native		🗖 American Indian Or Alaskan Native				
🔲 Native Hawiian o	r Other Pacific Islander		🗖 Native Hawiian or Other Pacific Islander				
🗖 White	Conter (specify)		White	Cother (specify)			
Sex	🗖 Female	🗖 Male	Sex	Female	🗖 Male		

I certify that the information I have supplied on this application is correct. I authorize Cross County Savings Bank to check my credit and employment history. Please return completed application along with printed disclosure to: Cross County Savings Bank • Mortgage and Loan Center • 79-21 Metropolitan Avenue • Middle Village, NY 11379



Authorization to Release Information

To Whom It May Concern:

I/We have applied for a mortgage loan from Cross County Savings Bank. As part of the application process, Cross County Savings Bank may verify information contained in my/our application and other documents required in connection with the loan, either before the loan is closed or as part of its quality control program after the loan is closed.

I/We, the undersigned, hereby authorize the release, of any information requested, to Cross County Savings Bank, its successors and/or assigns, on the form (s) attached hereto. Information requested in verification form includes, but is not limited to the following:

EMPLOYMENT VERIFICATION – Employment history, dates of employment, income, etc.

VERIFICATION OF DEPOSITS – All bank accounts of record, balances, type of account, etc.

VERIFICATION OF LOANS AND CREDIT – Loan accounts of record, current balance, monthly payment, payment record.

LANDLORD VERIFICATION – Length of residence, monthly rent, etc.

MISCELLANEOUS INFORMATION – any information and data normally and customarily deemed necessary in connection with the processing and/or servicing of a loan transaction.

Privacy Act Notice

This information is to be used by the agency collecting it, or its assigns, in determining whether you qualify as a prospective borrower under its program. It will not be disclosed outside the agency except as required and permitted by law. You do not have to provide this information, but if you do not, your application for approval as a prospective mortgagor or borrower may be delayed or rejected. The information requested is authorized by Title 38, USC, Chapter 37 (if VA); by 12 USC, Section 1701 et. Seq. (If HUD/FHA); by 42 USC, Section 1452b (if HUD/CPD); and Title 42 USC, 1471 et. Seq. (If USDA/FmHA).

The undersigned understand that the information released pursuant to the authority herein granted, shall be for the confidential use of Cross County Savings Bank, its successors and/or assigns, together with any investors of said corporation who may purchase any real estate mortgage loan issued to the undersigned. This information may be used for purposes of evaluation of any loan application submitted by the undersigned, as well as in servicing any loan granted to the undersigned. As such, this authorization shall remain in full force and effect until such time as any loan granted to the undersigned has been fully paid and discharged.

A copy of this authorization may be deemed to be the equivalent of the original and may be used as a duplicated original.

Signature		Signature		
Printed Name		Printed Name		
Social Security Number				
Address		Address		
Date		Date		



	Title Report Order/Waiver						
In order to	In order to expedite the closing, Title Insurance is required in connection with this loan.						
	My Attorney will order the Title Insurance Report Attorney's Name:						
	I will order Title Insurance Report						
	I would like Cross County Savings Bank to order the Title Insurance Report for me. (Please enclose a copy of your Survey and Deed.)						
Signature	Date						
Street Address							

(Definance Transpotiane Only)	N Contraction of the second	
(Refinance Transactions Only)		
If you will not be represented by an Attorney for this mortgage transaction,		
Bank's closing Attorneys will order a Title Report for you at your request.		
Lending Institution, you will be responsible for obtaining payoff figures from t		
would like Cross County Savings Bank to accept an existing mortgage by assig		
have the current Lender provide all the necessary documentation to Cross Coun	ity Savings Bank's closing Attorneys.	
If you are applying for a Mortgage Lean that is to be secured by your primary	residence and the subject property is a 1 to 4	
If you are applying for a Mortgage Loan that is to be secured by your primary family dwelling, please be advised that there is a three day Right of Rescission		
the loan proceeds will not be released until the Right of Rescission has expired.		
the loan proceeds will not be released until the Right of Rescission has expired.		
Borrower's Signature	Date	
Co-Borrower's Signature	Date	



-----AS REQUIRED BY THE------

USA PATRIOT ACT

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to <u>obtain</u>, <u>verify</u>, and <u>record</u> all information that identifies each person who opens an account.

What this means for you:

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

We thank you for your understanding and for joining us in securing a safer tomorrow.

Cross County Savings Bank



Contact Sheet						
Borrower(s)			Date			
Property Address	:					
·		Purcl	haser Conta	ict Informa	tion	
Name				Tel	Telephone No	
Address						
Attorney's Name				Tel	ephone No	
Address	Address					
Seller Contact Information						
Name		Tel	ephone No			
Address						
		Tel	ephone No			
Address						
		Bro	ker Contac	t Informati	on	
Name			Tel	ephone No		
Address						
			Contact for	Appraisal		
Name		Tel	Telephone No			
Address						
Please Give a Brief Description of the Property						
Number of Families Rental Income \$			Lot Size			
Section	Block	· ·	Lot	F	Real Estate Taxes	
Building Construction Est \$			Estimated Market Value \$			



To Be Completed by Interviewer			
Loan Originator's Signature:			Date:
Loan Originator's Name (print or type):	Loan Originator Identifier:	Loan Origina	tor's Phone Number:
Loan Origination Company's Name:	Loan Origination Company Identifier:	Loan Origina	tion Company's Address:
Face to Face Interview	Via Mail	Via Tel	ephone

Cross County Savings Bank Mortgage Loan Originators NMLS Registry Information

Cross County Savings Bank Institution ID:	755830
Craig Hubmeier	790771
Aldona Longo	790772
Anthony Milone	790773
Donna Russo	790774
Shayma Ramkissoon	1295117



For Your Information

IN COMPLIANCE WITH THE FAIR CREDIT REPORTING ACT...we are informing you that an investigative report will be made. We are also informing you that you have the right to make a written request, within a reasonable period of time after you receive this notice, for an additional disclosure of the nature and scope of the investigation requested.

IN COMPLIANCE WITH THE FAIR CREDIT REPORTING ACT...we are informing New York borrowers that we may request a consumer report in connection with your application. At your request, we will tell you whether or not a consumer report was requested, and, if a report was requested, give you the name and address of the consumer-reporting agency that furnished the report.

HAZARD INSURANCE...is required (fire and extended coverage) in at least the amount of your loan, or the maximum amount permitted by law, if less, from the company of your choice, subject to our approval of that company. At least two days before settlement, you must provide us with the original policy and paid receipt for the full first year's premium. If refinancing a loan from another lender, you must provide us with a duplicated certified copy of your policy (including declaration page) signed by your insurance agent, a paid receipt for the current year, and an endorsement naming *Cross County Savings Bank* as first mortgagee. If your loan is for rental property, the policy must include rent loss insurance covering loss or reduction of rental income. If the property is a condominium, you must provide an endorsement to the master hazard (and flood, if applicable) policy (ies), naming *Cross County Savings Bank* as first mortgagee. You may also be required to provide one certified master copy of the policy. We do not accept binders or memoranda or insurance or hazard pool insurance. All required coverage must be in effect the day of settlement. The first mortgagee clause (s) of all insurance policies must read:

Cross County Savings Bank Its Successors and/or assigns 79-21 Metropolitan Avenue Middle Village, NY 11379

FLOOD INSURANCE...is required if this property is located in a federally designated "flood hazard" area. We will advise you by letter if insurance, for at least the amount of your loan or the maximum amount available if lower, is required. At least two days before settlement, you must provide a carbon copy of your signed application for flood insurance and a paid receipt for the full first year's premium. If it is determined after settlement that flood insurance is required, you will be notified by the Bank, and will be responsible for obtaining a flood insurance policy. If you do not obtain flood insurance within 30 days of receipt of notification, the Bank will obtain a flood insurance policy for you and advise you by letter that you will be responsible for the payment of the premium.

TITLE INSURANCE...Cross County Savings Bank has the right to designate financial requirements and adequacy for coverage. The policy must be issued to: *Cross County Savings Bank its Successors and/or assigns.*

ACKNOWLEDGMENT...I/W e acknowledge that I/W e have read and understand the notices above and that I/W e have been notified of my/our rights by *Cross County Savings Bank*.

Borrower's Signature

Date

Co-Borrower's Signature

Date







Gift Letter

I		, reside at
	Name of Donor	
My telephone number is		I am the
		of
Rela	ationship to Recipient	
	Recipient of Gift	
and will give (or have given) him/her a g	lift in the amount of \$	· .
This is a bonafide gift and there is no oblany time. These funds are available and		
	on	,
Recipient of Gift		of Transfer
in time to close the mortgage transaction aift funds is from my		
gift funds is from my	Type of Account	
		bank.
My account number is	Name of Bank	the bank is
My account number is		
Signature		

Date



Checklist

We have provided a checklist of items needed for processing purposes. You may mail this information to our loan center or any one of our branches, or, if you wish, please feel free to drop it off at your convenience. Either way, we're happy to have the opportunity to serve you and would like to sincerely thank you for your interest in Cross County's Mortgage and Loan services. Sales contract with original signature(s) of seller(s) and purchaser(s) Realtor's business card Copy of sales contract on present home (if applicable) Copy of Deed (refinances only) Copy of existing Survey (refinances only) Г Copy of divorce decree or separation agreement (if applicable) Copy of W-2, 1099, etc., for the past two years Γ Copy of personal Federal Tax Returns, with all schedules, for the past two years Γ Copy of corporate Federal Tax Returns, with all schedules, for the past two years (if applicable) Year to date profit and loss statement and balance sheet for business (if self-employed) Copy of most recent pay stub(s) Copy of pension letter (if applicable) Copy of Social Security Entitlement Letter (if applicable) Other permanent sources of income (interest, dividend, disability, child support, maintenance, Γ trust income, rental properties etc.) Copies of past three months deposit account statements (checking, savings, money market, Γ CDs, etc.) Γ Landlord's name and telephone number for the past two years (if applicable) Outstanding loan accounts (name and address for each account, account number, monthly payment, unpaid balance) Credit Cards - name of card, bank name (if applicable), account number, monthly payment, Γ unpaid balance Insurance Agent's name and telephone number Copy of homeowner's insurance policy Gift letter (if applicable)

Additional Items May Be Needed



I am interested in the following programs.

Name:	
Address:	
Home Phone:	
Work Phone:	

	Checking "Plus Interest"
	Savings Accounts – Passbook or Statement Savings
	Money Market Account
	Certificates of Deposit
	IRA – Retirement Accounts
	ACH Electronic Payment/Direct Payment
	ATMs/VISA Check Cards
	Home Equity Loans
	Mortgage Life and Disability Insurance

□ Internet Banking and Bill Pay



GLOSSARY

<u>Addendum</u> – A change or list of additional material added to loan document.

<u>Adjustable Rate Mortgages</u> – ARMs are normally available at lower initial rates with potential for rate and payment adjustment at periodic intervals. Market conditions can influence rate changes, however, built in caps and margins provide a measure of security and limited increases over the life of loan.

<u>Adjustment Period</u> – The length of time between rate change on an adjustable rate mortgage.

<u>Amortization</u> – The gradual reduction of amount borrowed by monthly payments of principal and interest. Normally calculated over 15 to 30 year periods.

<u>Annual Percentage Rate (APR)</u> – The percentage of the total finance charge in relation to the amount of your loan. The APR reflects the cost of a mortgage loan as a yearly rate. It may be higher than interest rate stated on note because it includes such items as loan discount points, service charge, fees, prepaid interest and mortgage insurance.

<u>Application Fee</u> – Fee paid towards the estimated initial mortgage processing expense.

<u>Appraisal</u> – A report and process, which estimates the value of property being purchased.

<u>Assessed Valuation</u> – The value placed on property by tax authority for the purpose of taxation.

<u>Assumability</u> – Feature that may allow future transfer of mortgage to a new buyer. Not all mortgage loans are assumable.

<u>Buydown</u> – A payment made to a lender by buyer, seller or third party to reduce the interest rate.

<u>Cap/Life of Loan Cap</u> – A limit on how much the interest rate can change during adjustment period or over the life of loan.

<u>Certificate of Occupancy</u> – Certificate issued by local building department stating property is in proper condition to be occupied.

<u>Certificate of Eligibility</u> – The document issued by Veterans Administration for purpose of certifying a veteran's eligibility for a VA mortgage.

<u>Closing</u> – The delivery of a deed, signing of note and disbursement of funds to consummate the sale and loan transaction.

<u>Closing Cost</u> – Expense incurred by buyer and seller during the purchase and sale of real estate; such as points, origination fee, recording fee, balance of down payment, etc.

<u>Closing Statement</u> – The form used to give an account of funds received and paid at closing.

<u>Commitment</u> - An agreement between lender and borrower to make a loan, usually sets forth final terms and conditions of the loan.

<u>Commitment Fee</u> – A fee paid by borrower to lender for lender's agreement to lend money as specified in commitment.

<u>Conforming Loan</u> – A conventional mortgage eligible for sale and delivery to (FNMA) Federal National Mortgage Association or (FHLMC) Federal Home Loan Mortgage Corporation.

<u>Conventional Rate Mortgage</u> – A mortgage made by a lender without the backing obtained under government program such as FHA or VA.

<u>Credit Report/Fee</u> – A fee paid to issue a report to assist lender in determining overall credit and payment history of borrowers.

<u>Deed of Trust</u> – A security instrument conveying title in trust. In many states, including Missouri, this is in place of a mortgage.

<u>Down Payment</u> – The money a buyer gives to seller towards the purchase of a home.

Earnest Money/Deposit – A portion of the down payment to given to bind a sale of real estate, a deposit.

Equal Credit Opportunity Act (ECOA) – A Federal law requiring lenders and other creditors to make credit equally available without discrimination based on race, color, religion, national origin, sex, age, marital status, financial status, handicap or because a person received income from a public assistance program or has in good faith exercised any right under consumer credit protection act.

Equity – The difference between current market value of residence and the amount still owed on mortgage.

Escrow – The amount set-aside by lender from your monthly mortgage payment to pay real estate taxes and insurance. Escrow can also



be an account created to handle funds to cover repairs that will not be completed before closing.

<u>FHA Mortgage Loan</u> – A low down payment loan insured by Federal Housing Administration.

<u>Float Down Payment Option</u> – A loan feature specifying that the borrower will receive, at the closing, the lower of either the interest rate at application or at time of closing.

<u>Gift Letter</u> – A letter certifying that funds given to borrower are a gift and do not need to be repaid.

<u>Gross Monthly Income</u> – The total monthly income earned before tax and other deductions.

<u>Hazard Insurance</u> – Coverage to compensate insurer in case of loss on a specific property due to certain hazards, such as fire, etc.

<u>Index</u> – A base for determining the interest rate adjustment on an ARM. Indexes along with a margin generally reflect prevailing market conditions.

Legal Description – A property description that is recognized by courts as to locate and identify property.

Loan to Value Ratio – The loan amount to the appraised value of the property or the sale price.

Loan Origination Fee – A fee charged for services performed by lender or initial application and processing of loan.

Margin – The percentage added to the index to arrive at the interest rate to be charged during next adjustment period on an ARM.

<u>Mortgage Insurance</u> – The insurance required by borrower to provide the lender with protection in case the borrower defaults. Conventional Mortgage Insurance (PMI) is required when the down payment is less than 20%. Mortgage insurance is required on all FHA and VA loans.

<u>Non-Conforming Loan</u> – A conventional mortgage not eligible for sale and delivery to a government agency due to various reasons, including loan amount of underwriting guidelines.

<u>PITI (Principal, Interest, Taxes and Insurance)</u> – The most common components of mortgage loan.

<u>Point</u> – A fee paid by borrower that enables the lender to offer a lower interest rate. One point equals one percent of the loan amount.

<u>Prepayment Option</u> – A loan option that permits borrower to pay off loan in part or full, at any time before the end of loan term without additional cost.

<u>Processing</u> – The preparation of a mortgage loan application and supporting documentation needed for the closing of the loan.

<u>Purchase and Sale Contract</u> – The formal agreement between a buyer and seller to purchase real estate property.

<u>Rate Lock</u> – An agreement by a lender to guarantee for a specific period of time, that the interest rate applied for will be the rate at loan closing.

<u>Refinancing</u> – A new mortgage loan against current property that is currently mortgaged, with the intent to pay off the existing debt. Normally to obtain additional funds or to lower interest rate.

<u>Second Mortgage</u> – A second mortgage loan against real estate property.

<u>Settlement</u> – The day on which the buyer finalizes the home loan and takes possession of new home. Also referred to as loan closing.

Term – The period in which the loan must be repaid.

<u>Title</u> – The legal evidence of ownership rights of the property.

<u>Title Insurance</u> – Insurance that is usually written by a title company, to protect lender or owner against loss in case of undisclosed liens or defect in the title of the real estate property being purchased.

<u>Truth-in-Lending</u> – A federal law requiring a disclosure of terms in a standard format.

<u>Underwriting</u> – Analysis of credit characteristics of the borrower and their ability to repay the loan amount. A review of the property appraisal for acceptability to established professional and lender appraisal guidelines.

<u>VA Mortgage</u> – A low down payment loan guaranteed by the Veteran's Association.