



**A COMMUNITY CREDIT UNION**

Created for People – not Profit

**409 E LOOP 281 LONGVIEW TX 75605 903-323-0232 FAX 903-323-0500**

**ITEMS NEEDED FOR ALL MORTGAGE LOANS**

- (1) ORIGINAL SALES CONTRACT
- (2) W-2'S FOR THE PAST TWO YEARS
- (3) PAY-CHECK STUBS FOR THE LAST 30 DAYS
- (4) COPY OF LAST (2) TWO BANK STATEMENTS FOR CHECKING, SAVINGS, OR INVESTMENT ACCOUNTS
- (5) COPY OF OLD SURVEY (FOR REFINANCE ALSO)
- (\*) IF NEW CONSTRUCTION: ORIGINAL CONSTRUCTION CONTRACT, BID, SET OF PLANS AND SPECIFICATION FROM CONTRACTOR

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**ITEMS NEEDED FOR HOME EQUITY LOANS**

- (1) COPY OF STATEMENT FROM THE COUNTY APPRAISAL DISTRICT SHOWING APPRAISED VALUE OF YOUR PROPERTY
- (2) LAST YEARS W-2'S AND LAST TWO PAY STUBS
- (3) LAST MONTHS BANK STATEMENTS (CHECKING & SAVINGS)
- (4) COPY OF HOME OWNERS INSURANCE POLICY
- (5) COPY OF TITLE INSURANCE POLICY-REFINANCE TOO
- (6) WARRANTY DEED OR DEED OF TRUST

SPECIAL NOTE: SELF-EMPLOYED INDIVIDUALS OR BORROWERS WITH COMMISSION INCOME WILL NEED TO PROVIDE A YEAR TO DATE BALANCE SHEET AND PROFIT AND LOSS STATEMENT, ALONG WITH INCOME TAX RETURNS FOR THE PREVIOUS TWO YEARS, WITH ORIGINAL SIGNATURES

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# Home Equity or Home Improvement Loan Application

TYPE LOAN APPLIED FOR	<input type="checkbox"/> Conventional	Amount  \$	<input type="checkbox"/> Simple Int.	No. of mos.	Monthly payment Principal & Interest	Property type				
	<input type="checkbox"/> Secured		<input type="checkbox"/> Add-on			<input type="checkbox"/> Single Family Dwelling	<input type="checkbox"/> Condo	<input type="checkbox"/> 2-4 Family Dwelling	<input type="checkbox"/> PUD	<input type="checkbox"/> Other
Address of property to be improved			Date purchased		Cash down payment	Purchase price	Present value of home			
Title in name of			Address of title holder			Mortgage Type: Is your present first mortgage a conventional graduated payment mortgage or an FHA 245 mortgage loan? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, attach payment schedule				
Yr. house built	No. of rooms	No. of bedrooms	No. of baths	Family room or den <input type="checkbox"/> Yes <input type="checkbox"/> No	Gross living area  sq. ft.	Garage/Carport (Specify type & no.)	Central air <input type="checkbox"/> Yes <input type="checkbox"/> No			
If this is a new residential structure, has it been completed and occupied for 90 days or longer? <input type="checkbox"/> Yes <input type="checkbox"/> No										
<b>Improvements Planned (copied estimate or itemized cost breakdown must be attached)</b>						<b>Type of Improvement</b>				
						<input type="checkbox"/> Property Improvement				
						<input type="checkbox"/> Rehabilitation/Modernization				
						<input type="checkbox"/> Additions				
						<input type="checkbox"/> Energy Conservation				
						<input type="checkbox"/> Solar Installation				
The Co-Borrower Section and all other Co-Borrower questions must be completed and the appropriate box(es) checked if <input type="checkbox"/> another person will be jointly obligated with the Borrower on the loan, or <input type="checkbox"/> the Borrower is relying on income from alimony, child support or separate maintenance or on the income or assets of another person as a basis for repayment of the loan, or <input type="checkbox"/> the Borrower is married and resides, or the property is located in a community property state.										
<b>Borrower</b>					<b>Co-Borrower</b>					
Name					Name					
DOB					DOB					
Present Address (if different from above) No. Years <input type="checkbox"/> Own <input type="checkbox"/> Rent					Present Address (if different from above) No. Years <input type="checkbox"/> Own <input type="checkbox"/> Rent					
Mailing Address, if different from Present Address					Mailing Address, if different from Present Address					
Former address if less than 2 years at present address					Former address if less than 2 years at present address					
Years at former address <input type="checkbox"/> Own <input type="checkbox"/> Rent					Years at former address <input type="checkbox"/> Own <input type="checkbox"/> Rent					
Complete for Secured Loans Only			Dep. other than listed by Co-Borrower		Complete for Secured Loans Only			Dep. other than listed by Borrower		
<input type="checkbox"/> Married <input type="checkbox"/> Separated			No. <input type="checkbox"/> Ages		<input type="checkbox"/> Married <input type="checkbox"/> Separated			No. <input type="checkbox"/> Ages		
<input type="checkbox"/> Unmarried (incl. single, divorced, widowed)					<input type="checkbox"/> Unmarried (incl. single, divorced, widowed)					
Name and Address of Employer			Years employed in this line of work or profession?  _____ Years		Name and Address of Employer			Years employed in this line of work or profession?  _____ Years		
			Years on this job <input type="checkbox"/> Self Employed					Years on this job <input type="checkbox"/> Self Employed		
Position/Title			Type of Business		Position/Title			Type of Business		
Social Security Number		Home Phone		Business Phone		Social Security Number		Home Phone		
Name & Address of nearest relative not living with you			Relationship		Home Phone		Name & Address of nearest relative not living with you			
<b>Gross Monthly Income</b>				<b>Bank</b>		<b>Account No.</b>		<b>Name &amp; Address of Depository</b>		
Item		Borrower	Co-Borrower	Total	Checking					
Empl. Income		\$	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No					
Other † (Before completing, see notice under Describe Other Income below.)					Savings					
Total		\$	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>Describe Other Income</b>										
B - Borrower			NOTICE: † Alimony, child support, or separate maintenance income need not be revealed if the Borrower or Co-Borrower does not choose to have it considered as a basis for repaying this loan.					Monthly Amount		
								\$		
<b>If Employed In Current Position For Less Than Two Years, Complete the Following</b>										
B/C	Previous Employer/School		City/State		Type of Business		Position/Title		Dates From/To	Monthly Income
										\$

**These Questions Apply To Both Borrower and Co-Borrower**

If a "yes" answer is given to a question in this column, please explain on an attached sheet.	Borrower Yes or No	Co-Borrower Yes or No		Borrower Yes or No	Co-Borrower Yes or No
Are there any outstanding judgments against you?	_____	_____	Are you a co-maker or endorser on a note?	_____	_____
Have you been declared bankrupt within the past 7 years?	_____	_____	Do you have any past due obligations owed to or insured by any agency of the federal government?	_____	_____
Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	_____	_____	Are you a U.S. citizen?	_____	_____
Are you a party to a law suit?	_____	_____	If "no," are you a resident alien?	_____	_____
Are you obligated to pay alimony, child support, or separate maintenance?	_____	_____	If "no," are you a non-resident alien?	_____	_____

**DEBTS:** List all fixed obligations and installment accounts (if more space is needed list on attached sheets.)  
If no outstanding debt, list three previous credit references.

	B-Borrower C-Co-Borrower	Creditor's Name and Address	Account No.	Date Incurred	Original Amount	Present Balance	Monthly Payment	Amount Past Due
					\$	\$	\$	\$
<b>A</b>	<b>u</b>	Lien Holder:	Year and Make					
		Lien Holder:	Year and Make					
<b>R</b>	<b>e</b>	Name & Address of First Lien Holder of Security Property						
		Name & Address of Subordinate Lien Holder(s) of Security Property						
<b>E</b>	<b>s</b>	List Debts On Other Real Estate Owned						
List any additional names under which credit has previously been received:				If not included in monthly mortgage payment enter the following:				
				Monthly payment for Tax and Insurance →				
				Monthly payment for Home Owner Association dues →				
				Total Monthly Obligations →				

**IMPORTANT - APPLICANT READ BEFORE SIGNING**

I/We apply for the loan indicated in this application which may be secured by a mortgage or deed of trust on the property described herein and represent that the property will not be used for any illegal or restricted purpose, and that all statements made in this application are true and are made for the purpose of obtaining the loan. Verification may be obtained from any source named in this application. The original or a copy of this application will be retained by the lender, even if the loan is not granted. I/We hereby consent to and authorize the lender, after the giving of reasonable notice, to enter the improved property for the sole purpose of determining that the improvements specified in this application have been completed.

**I/WE UNDERSTAND THAT THE SELECTION OF A CONTRACTOR OR DEALER, ACCEPTANCE OF MATERIAL USED AND WORK PERFORMED IS MY/OUR RESPONSIBILITY. THE LENDER DOES NOT GUARANTEE THE MATERIAL OR WORKMANSHIP.**

I/We  : do or  do not intend to occupy the property as my/our primary residence.

I/We understand that it may be 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 the United States Criminal Code.

\_\_\_\_\_ Date \_\_\_\_\_  
Borrower's Signature Co-Borrower's Signature

**INFORMATION FOR GOVERNMENT MONITORING PURPOSES**

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

<b>BORROWER</b> <input type="checkbox"/> I do not wish to furnish this information.	<b>CO-BORROWER</b> <input type="checkbox"/> I do not wish to furnish this information.
<b>Ethnicity:</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	<b>Ethnicity:</b> <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
<b>Race:</b> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	<b>Race:</b> <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
<b>Sex:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male	<b>Sex:</b> <input type="checkbox"/> Female <input type="checkbox"/> Male

<b>To be Completed by</b> This application was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet	Interviewer's Name (print or type)	Name and Address of Interviewer's Employer <b>East Texas Professional Credit Union</b> <b>409 East Loop 281</b> <b>Longview, Texas 75608</b>	
	Interviewer's Signature		Date
	Interviewer's Phone Number (incl. area code)		(903) 323-0232

# BORROWER SIGNATURE AUTHORIZATION

PART I - General Information		
1. Borrower(s)		2. Lender Name and Address
3. Date	4. Loan Number	

PART II - Borrower Authorization

I hereby authorize the Lender to verify my past and present employment earnings records, bank accounts, stock holdings and any other asset balances that are needed to process my mortgage loan application. I further authorize the Lender to order a consumer credit report and verify other credit information, including past and present mortgage and landlord references. It is understood that a copy of this form will also serve as authorization.

The information the Lender obtains is only to be used in the processing of my application for a mortgage loan.

_____	_____
Borrower	Date
_____	_____
Borrower	Date
_____	_____
Co-Borrower	Date
_____	_____
Co-Borrower	Date

**NOTICE TO BORROWERS:** This is notice to you as required by the Right to Financial Privacy Act of 1978 that HUD/FHA has a right of access to financial records held by financial institutions in connection with the consideration or administration of assistance to you. Financial records involving your transaction will be available to HUD/FHA without further notice or authorization but will not be disclosed or released by this institution to another Government Agency or Department without your consent except as required or permitted by law.

# RESPA SERVICING DISCLOSURE

Lender: East Texas Professional Credit Union

**NOTICE TO FIRST LIEN MORTGAGE LOAN APPLICANTS: THE RIGHT TO COLLECT YOUR MORTGAGE LOAN PAYMENTS MAY BE TRANSFERRED. FEDERAL LAW GIVES YOU CERTAIN RELATED RIGHTS. IF YOUR LOAN IS MADE, SAVE THIS STATEMENT WITH YOUR LOAN DOCUMENTS. SIGN THE ACKNOWLEDGMENT AT THE END OF THIS STATEMENT ONLY IF YOU UNDERSTAND ITS CONTENTS.**

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. Section 2601 et seq.) you have certain rights under that Federal law.

This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. "Servicing" refers to collecting your principal, interest and escrow account payments, if any. If your loan servicer changes, there are certain procedures that must be followed. This statement generally explains those procedures.

**Transfer Practices and Requirements**

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loan servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of transfer. The 15 day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you, upon the occurrence of certain business emergencies.

Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, and the name, address, and toll-free or collect call telephone number of the new servicer, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

**Complaint Resolution**

Section 6 of RESPA (12 U.S.C. Section 2605) gives you certain consumer rights, *whether or not your loan servicing is transferred*. If you send a "qualified written request" to your servicer, your servicer must provide you with a written acknowledgment within 20 Business Days of receipt of your request. A "qualified written request" is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and the information regarding your request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or must provide you with a written clarification regarding any dispute. During this 60-Business Day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

A Business Day is any day in which the offices of the business entity are open to the public for carrying on substantially all of its business functions.

**Damages and Costs**

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section.

**Servicing Transfer Estimates**

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:

We may assign, sell or transfer the servicing of your loan while the loan is outstanding.  We are able to service your loan and we  will  will not  haven't decided whether to service your loan.

OR

We do not service mortgage loans,  and we have not serviced mortgage loans in the past three years.

We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

We assign, sell or transfer the servicing of some of our loans while the loan is outstanding depending on the type of loan and other factors. For the program you have applied for, we expect to:

sell all of the mortgage servicing  retain all of the mortgage servicing

assign, sell or transfer \_\_\_\_\_ % of the mortgage servicing

2. For all the first lien mortgage loans that we make in the 12-month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between:

\_\_\_\_\_ [0 to 25%] or [NONE] \_\_\_\_\_ 26 to 50% \_\_\_\_\_ 51 to 75% \_\_\_\_\_ [76 to 100%] or [ALL]

This estimate  does  does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.

3.  We have previously assigned, sold or transferred the servicing of federally related mortgage loans.

OR

This is our record of transferring the servicing of the first lien mortgage loans we have made in the past:

Year	Percentage of Loans Transferred	(Rounded to nearest quartile - 0%, 25%, 50%, 75%, or 100%)
2006	25	%
2005	25	%
2004	25	%

This information  does  does not include assignments, sales or transfers to affiliates or subsidiaries.

Present Servicer or Lender \_\_\_\_\_

Date \_\_\_\_\_

**ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT**

I/We have read this disclosure form and understand its contents, as evidenced by my/our signature(s) below. I/We understand that this acknowledgment is a required part of the mortgage loan application.

Applicant \_\_\_\_\_

Date \_\_\_\_\_

Applicant \_\_\_\_\_

Date \_\_\_\_\_

Applicant \_\_\_\_\_

Date \_\_\_\_\_

Applicant \_\_\_\_\_

Date \_\_\_\_\_

**East Texas Professional Credit Union**

<u>HOME EQUITY FILE INFORMATION</u>
Member: _____
Account Number: _____
Property Description: _____
_____

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

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

(A) THE LOAN MUST BE VOLUNTARILY CREATED WITH THE CONSENT OF EACH OWNER OF YOUR HOME AND EACH OWNER’S SPOUSE;

(B) THE PRINCIPAL LOAN AMOUNT AT THE TIME THE LOAN IS MADE MUST NOT EXCEED AN AMOUNT THAT, WHEN ADDED TO THE PRINCIPAL BALANCES OF ALL OTHER LIENS AGAINST YOUR HOME, IS MORE THAN 80 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME;

(C) THE LOAN MUST BE WITHOUT RECOURSE FOR PERSONAL LIABILITY AGAINST YOU AND YOUR SPOUSE UNLESS YOU OR YOUR SPOUSE OBTAINED THIS EXTENSION OF CREDIT BY ACTUAL FRAUD;

(D) THE LIEN SECURING THE LOAN MAY BE FORECLOSED UPON ONLY WITH A COURT ORDER;

(E) FEES AND CHARGES TO MAKE THE LOAN MAY NOT EXCEED 3 PERCENT OF THE LOAN AMOUNT;

(F) THE LOAN MAY NOT BE AN OPEN-END ACCOUNT THAT MAY BE DEBITED FROM TIME TO TIME OR UNDER WHICH CREDIT MAY BE EXTENDED FROM TIME TO TIME UNLESS IT IS A HOME EQUITY LINE OF CREDIT;

- (G) YOU MAY PREPAY THE LOAN WITHOUT PENALTY OR CHARGE;
- (H) NO ADDITIONAL COLLATERAL MAY BE SECURITY FOR THE LOAN;
- (I) THE LOAN MAY NOT BE SECURED BY HOMESTEAD PROPERTY THAT IS DESIGNATED FOR AGRICULTURAL USE AS OF THE DATE OF CLOSING, UNLESS THE AGRICULTURAL HOMESTEAD PROPERTY IS USED PRIMARILY FOR THE PRODUCTION OF MILK;
- (J) YOU ARE NOT REQUIRED TO REPAY THE LOAN EARLIER THAN AGREED SOLELY BECAUSE THE FAIR MARKET VALUE OF YOUR HOME DECREASES OR BECAUSE YOU DEFAULT ON ANOTHER LOAN THAT IS NOT SECURED BY YOUR HOME;
- (K) ONLY ONE LOAN DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION MAY BE SECURED WITH YOUR HOME AT ANY GIVEN TIME;
- (L) THE LOAN MUST BE SCHEDULED TO BE REPAYED IN PAYMENTS THAT EQUAL OR EXCEED THE AMOUNT OF ACCRUED INTEREST FOR EACH PAYMENT PERIOD;
- (M) THE LOAN MAY NOT CLOSE BEFORE 12 DAYS AFTER YOU SUBMIT A LOAN APPLICATION TO THE LENDER OR BEFORE 12 DAYS AFTER YOU RECEIVE THIS NOTICE, WHICHEVER DAY IS LATER; AND MAY NOT WITHOUT YOUR CONSENT CLOSE BEFORE ONE BUSINESS DAY AFTER THE DATE ON WHICH YOU RECEIVE A COPY OF YOUR LOAN APPLICATION IF NOT PREVIOUSLY PROVIDED AND A FINAL ITEMIZED DISCLOSURE OF THE ACTUAL FEES, POINTS, INTEREST, COSTS, AND CHARGES THAT WILL BE CHARGED AT CLOSING; AND IF YOUR HOME WAS SECURITY FOR THE SAME TYPE OF LOAN WITHIN THE PAST YEAR, A NEW LOAN SECURED BY THE SAME PROPERTY MAY NOT CLOSE BEFORE ONE YEAR HAS PASSED FROM THE CLOSING DATE OF THE OTHER LOAN, UNLESS ON OATH YOU REQUEST AN EARLIER CLOSING DUE TO A DECLARED STATE OF EMERGENCY;
- (N) THE LOAN MAY CLOSE ONLY AT THE OFFICE OF THE LENDER, TITLE COMPANY, OR AN ATTORNEY AT LAW;
- (O) THE LENDER MAY CHARGE ANY FIXED OR VARIABLE RATE OF INTEREST AUTHORIZED BY STATUTE;
- (P) ONLY A LAWFULLY AUTHORIZED LENDER MAY MAKE LOANS DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION;
- (Q) LOANS DESCRIBED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION

MUST:

(1) NOT REQUIRE YOU TO APPLY THE PROCEEDS TO ANOTHER DEBT EXCEPT A DEBT THAT IS SECURED BY YOUR HOME OR OWED TO ANOTHER LENDER;

(2) NOT REQUIRE THAT YOU ASSIGN WAGES AS SECURITY;

(3) NOT REQUIRE THAT YOU EXECUTE INSTRUMENTS WHICH HAVE BLANKS FOR SUBSTANTIVE TERMS OF AGREEMENT LEFT TO BE FILLED IN;

(4) NOT REQUIRE THAT YOU SIGN A CONFESSION OF JUDGMENT OR POWER OF ATTORNEY TO ANOTHER PERSON TO CONFESS JUDGMENT OR APPEAR IN A LEGAL PROCEEDING ON YOUR BEHALF;

(5) PROVIDE THAT YOU RECEIVE A COPY OF YOUR FINAL LOAN APPLICATION AND ALL EXECUTED DOCUMENTS YOU SIGN AT CLOSING;

(6) PROVIDE THAT THE SECURITY INSTRUMENTS CONTAIN A DISCLOSURE THAT THIS LOAN IS A LOAN DEFINED BY SECTION 50(a)(6), ARTICLE XVI, OF THE TEXAS CONSTITUTION;

(7) PROVIDE THAT WHEN THE LOAN IS PAID IN FULL, THE LENDER WILL SIGN AND GIVE YOU A RELEASE OF LIEN OR AN ASSIGNMENT OF THE LIEN, WHICHEVER IS APPROPRIATE;

(8) PROVIDE THAT YOU MAY, WITHIN 3 DAYS AFTER CLOSING, RESCIND THE LOAN WITHOUT PENALTY OR CHARGE;

(9) PROVIDE THAT YOU AND THE LENDER ACKNOWLEDGE THE FAIR MARKET VALUE OF YOUR HOME ON THE DATE THE LOAN CLOSES; AND

(10) PROVIDE THAT THE LENDER WILL FORFEIT ALL PRINCIPAL AND INTEREST IF THE LENDER FAILS TO COMPLY WITH THE LENDER'S OBLIGATIONS UNLESS THE LENDER CURES THE FAILURE TO COMPLY AS PROVIDED BY SECTION 50(a)(6)(Q)(x), ARTICLE XVI, OF THE TEXAS CONSTITUTION; AND

(R) IF THE LOAN IS A HOME EQUITY LINE OF CREDIT:

(1) YOU MAY REQUEST ADVANCES, REPAY MONEY, AND REBORROW MONEY UNDER THE LINE OF CREDIT;

(2) EACH ADVANCE UNDER THE LINE OF CREDIT MUST BE IN AN AMOUNT OF AT LEAST \$4,000;

(3) YOU MAY NOT USE A CREDIT CARD, DEBIT CARD, OR SIMILAR DEVICE, OR PREPRINTED CHECK THAT YOU DID NOT SOLICIT, TO OBTAIN ADVANCES UNDER THE LINE OF CREDIT;

(4) ANY FEES THE LENDER CHARGES MAY BE CHARGED AND COLLECTED ONLY AT THE TIME THE LINE OF CREDIT IS ESTABLISHED AND THE LENDER MAY NOT CHARGE A FEE IN CONNECTION WITH ANY ADVANCE;

(5) THE MAXIMUM PRINCIPAL AMOUNT THAT MAY BE EXTENDED, WHEN ADDED TO ALL OTHER DEBTS SECURED BY YOUR HOME, MAY NOT EXCEED 80 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME ON THE DATE THE LINE OF CREDIT IS ESTABLISHED;

(6) IF THE PRINCIPAL BALANCE UNDER THE LINE OF CREDIT AT ANY TIME EXCEEDS 50 PERCENT OF THE FAIR MARKET VALUE OF YOUR HOME, AS DETERMINED ON THE DATE THE LINE OF CREDIT IS ESTABLISHED, YOU MAY NOT CONTINUE TO REQUEST ADVANCES UNDER THE LINE OF CREDIT UNTIL THE BALANCE IS LESS THAN 50 PERCENT OF THE FAIR MARKET VALUE; AND

(7) THE LENDER MAY NOT UNILATERALLY AMEND THE TERMS OF THE LINE OF CREDIT.

THIS NOTICE IS ONLY A SUMMARY OF YOUR RIGHTS UNDER THE TEXAS CONSTITUTION. YOUR RIGHTS ARE GOVERNED BY SECTION 50, ARTICLE XVI, OF THE TEXAS CONSTITUTION, AND NOT BY THIS NOTICE.

I/we, the undersigned Borrower[s] and/or Owner[s], whether one or more, acknowledges receipt of a copy of this Notice on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and I/we have fully read and understand it.

\_\_\_\_\_  
BORROWER

\_\_\_\_\_  
BORROWER

\_\_\_\_\_  
OWNER

## WARNING

“Warning: Intentionally or knowingly making a materially false or misleading written statement to obtain property or credit, including a mortgage loan is a violation of Section 32.32, Texas Penal Code, and depending on the amount of the loan or value of the property, is punishable by imprisonment for a term of 2 years to 99 years and a fine not to exceed \$10,000.00.

“I/we, the undersigned home loan applicant(s), represent that I/we have received, read, and understand this notice of penalties for making a materially false or misleading written statement to obtain a home loan.

“I/we represent that all statements and representations contained in my/our identity, employment, annual income, and intent to occupy the residential real property secured by the home loan, are true and correct as of the date of loan closing.”

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