

# HOME EQUITY LOAN APPLICATION

PLEASE TYPE OR PRINT

**IMPORTANT APPLICANT INFORMATION:** Federal law requires financial institutions to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

## TYPE OF ACCOUNT REQUESTED

Check one to indicate the type of account you are requesting. Note: Married applicants may apply for separate accounts.

- Joint Account - We intend to apply for joint credit. (initials) \_\_\_\_\_
- Individual Account - Relying solely on my income and assets.
- Individual Account - Relying on my income and assets as well as income or assets of another.

## 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. You may select one or more designations for "Race." The law provides that a lender may not discriminate on the basis of this information, or on whether you choose to furnish it. However, if you choose not to furnish the information and you have made this application in person, under federal regulations the lender is required to note ethnicity, race, and sex on the basis of visual observation or surname. If you do not wish to furnish the information, please check below.

<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

## TERMS REQUESTED

Amount \$	Length of Account Term	Periodic Payment Date	Purpose
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## COLLATERAL PROPERTY

Address	Year Built	Date Purchased	Present Value	Balance Owing
Title in Name(s) of:	Address of Title Holder		Name and Address of Mortgage Holder	
			Phone No.	Acct. No.

## INDIVIDUAL APPLICANT INFORMATION

Name	Birthdate	Social Security No.	
Address	County	Drivers License No.	
Home Phone	Business Phone	Number of Dependents	Ages of Dependents
Employer/Self Employed	Position	Years Employed	Employer's Address
Previous Employer	Position	Years Employed	Previous Employer's Address
Name and Address of Applicant's Nearest Relative			Relationship
Wages, Salary, Commissions		How Often Paid	
Gross \$	/month	Net \$	/month
<b>Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered. Alimony, child support, separate maintenance received pursuant to:</b> <input type="checkbox"/> Court Order <input type="checkbox"/> Written Agreement <input type="checkbox"/> Oral Understanding.			
Other Income: Source		Amount/Month	

Marital Status  Married  Separated  Unmarried (includes single, divorced and widowed)

## JOINT APPLICANT OR OTHER PARTY INFORMATION

Provide the information in this section if joint credit, or the individual applicant is relying on the income of others as a basis for repayment, or the individual applicant lives in a community property state or is relying on property located in a community property state as a basis for repayment of the credit requested.

Name	Birthdate	Social Security No.	
Address	County	Drivers License No.	
Home Phone	Business Phone	Number of Dependents	Ages of Dependents
Employer/Self Employed	Position	Years Employed	Employer's Address
Previous Employer	Position	Years Employed	Previous Employer's Address
Name and Address of Joint Applicant's or Other Party's Nearest Relative			Relationship
Wages, Salary, Commissions		How Often Paid	
Gross \$	/month	Net \$	/month
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Other Income: Source		Amount/Month	

Marital Status  Married  Separated  Unmarried (includes single, divorced and widowed)

**ASSET AND DEBT INFORMATION**

If "Joint Applicant or Other Party Information" section was completed above, this section should be completed giving information about both the Applicant and the Joint Applicant or Other Party. Please identify the Applicant-related information with an "\*"." Attach additional sheets if necessary.

**ASSETS**

DESCRIPTION OF ASSETS	NAME(S) OF OWNER(S)	SUBJECT TO DEBT: YES/NO	VALUE
Checking Account Number(s) (where)			\$
Savings Account Number(s) (where)			
Automobiles (Make, Model, Year)			
Marketable Securities (Issuer, Type, No. of Shares)			
Life Insurance (cash value)			
Other Real Estate (Location, when acquired)			
Other Assets (Describe)			
Total Assets			\$

**OUTSTANDING DEBTS** (Include charge accounts, installment contracts, credit cards, rent, mortgages and other obligations.)

CREDITOR	ACCOUNT NUMBER	NAME IN WHICH THE ACCOUNT IS CARRIED	ORIGINAL AMOUNT	PRESENT BALANCE	MONTHLY PAYMENTS
Landlord or Mortgage Holder on other Real Estate					
Auto Loan					
Auto Loan					
Credit or Charge Card					
Credit or Charge Card					
TOTAL DEBTS			\$	\$	\$

**Credit References**

1.	\$	Date Paid
2.	\$	Date Paid

**GENERAL INFORMATION**

If you or a joint applicant or other party answers "yes" to any of the following questions, please explain in the space provided.

Are you a guarantor or co-maker of any leases, contracts or debts?  Yes  No

Are there any suits or judgments pending against you?  Yes  No  
(Include amount) \_\_\_\_\_

Have you been declared bankrupt in the last 10 years?  Yes  No

**New York Residents:** A consumer report may be ordered in connection with your application. Upon your request, we will inform you whether or not a report was ordered. If a report was ordered we will tell you the name and address of the consumer reporting agency that provided the report. Subsequent reports may be ordered or utilized in connection with an update, renewal or extension of credit for which you have applied.

**Ohio Residents:** The Ohio laws against discrimination require all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

I certify that everything I have stated in this application and on any attachments is correct. Lender may keep this application whether or not it is approved. By signing below I authorize Lender to check my credit and employment history and to answer questions others may ask Lender about my credit record with Lender. I understand that I must update this credit information at Lender's request and if my financial condition changes.

I acknowledge receipt of the Home Equity Brochure and the lender's Home Equity disclosure statement on today's date.

Applicant X \_\_\_\_\_ Date \_\_\_\_\_ Joint-Applicant X \_\_\_\_\_ Date \_\_\_\_\_

**CREDITOR USE ONLY**

This application was taken by: <input type="checkbox"/> face to face interview <input type="checkbox"/> mail <input type="checkbox"/> telephone <input type="checkbox"/> internet		
Date Application Received:	Received By:	Amount Requested \$
Approved By:	Approved By:	Amount Approved \$
Rescindable? <input type="checkbox"/> Yes <input type="checkbox"/> No	Funding Date:	Initial Advance \$

**IMPORTANT INFORMATION ABOUT  
WATERTOWN SAVINGS BANK'S  
HOME EQUITY LINE OF CREDIT**

This Disclosure contains important information about the Home Equity Line of Credit (the "**Credit Line**") at Watertown Savings Bank (the "**Bank**"). You should read it carefully and keep a copy for your records.

1. **Availability of Terms.** All of the terms described below are subject to change. If these terms change (other than the annual percentage rate) and you decide, as a result, not to enter into an Agreement with the Bank, you are entitled to a refund of any fees that you paid in connection with your application.
2. **Security Interest.** We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your Agreement with us.
3. **Possible Actions.** We can terminate your credit account and require you to pay us the entire outstanding balance in one payment if: (a) you engage in fraud or material misrepresentation in connection with the Credit Line, (b) you do not meet the repayment terms of the Credit Line, or (c) your action or inaction adversely affects the property for the Credit Line or our security interest in the property.

We can refuse to make additional extensions of credit or reduce your credit limit if: (d) the value of the real property securing the Credit Line declines significantly below its appraised value for purposes of the Credit Line, (e) we reasonably believe that you will not be able to meet the repayment obligations due to a material change in your financial circumstances, (f) you are in default of a material obligation of the Credit Line, (g) government action prevents us from imposing the annual percentage rate provided for in your Agreement with us or impairs our security interest such that the value of the interest is less than 120% of the Credit Line, (h) a government action prevents us from imposing the annual percentage rate provided for in your Agreement with us or impairs our security interest such that the value of the interest is less than 120% of the Credit Line, (i) a government authority has notified us that continued advances would constitute an unsafe business practice, or (j) we are entitled to terminate your Credit Line and to demand immediate payment in full under the terms of your Agreement with us, but have decided to take, temporarily, the alternative of prohibiting additional advances or of reducing the maximum credit limit.

We will provide you, upon your request, a list of categories of contract obligations that we consider "material obligations" as mentioned in subsection (f) above.

Generally, the terms of the Credit Line may not be changed except upon the mutual written consent of the Bank and you. However, we may change the terms of your Credit Line if the change is insignificant or if it is beneficial to you. We may also prohibit you from receiving additional advances or reduce your credit limit during any period in which the maximum annual percentage rate for your Credit Line is reached.

4. **The term "finance charge" is the dollar amount that the loan will cost you and is intended to be synonymous with the word interest as used in this disclosure.**
5. **Minimum Payment Requirements.** The term of the Credit Line for which you can obtain advances of credit, the "Draw Period", is the same as the overall term of the Credit Line and will depend upon the number of billing cycles agreed upon by you and the Bank under the payment plan described below. However, in no event will the term of the Credit Line exceed twenty years.

Your payments will be due monthly and will include all interest then due on the principal balance, together with a principal payment to be calculated by dividing the loan at the end of the billing cycle by the number of billing cycles in the term of your Credit Line. However, the Bank will require a minimum payment of at least \$200.00 each billing cycle. If the interest and principal balance outstanding at the end of the billing cycle is less than \$200.00, you must make a minimum payment of the entire outstanding balance.

The amount of interest included in each payment will be all of the interest owing as of the time the billing statement is prepared. The interest is computed by applying the daily periodic rate to the average daily balance and multiplying the result times the number of days in the billing cycle. The daily periodic rate is the applicable loan interest rate (annual percentage rate) in effect for that month divided by 365. Payments are credited first to interest, second to principal, and third to credit life insurance if you have purchased such insurance, and finally to late charges.

The term of your Credit line may be between five and twenty years. As a result, you will be required to repay the entire principal balance and any accrued interest then owing by the end of the Credit Line term agreed upon by you and the Bank.

Under most circumstances, the minimum payments will not repay the balance that is outstanding on your Credit Line by the end of the Credit Line term agreed upon by you and the Bank. You will then be required to pay the entire balance in a single payment.

6. **Minimum Payment Example.** If you took a single \$10,000.00 advance on the first day of your Credit Line, assuming that you did not purchase credit life insurance and assuming a fifteen year loan term and a ANNUAL PERCENTAGE RATE of 4.50% (index + margin) "reflecting the minimum rate limitation" it would take 4 years and eight months (56 billing cycles) to pay off the advance if you made only the minimum monthly payments. During that period, you would make 55 minimum payments of \$200.00 and a final payment of \$94.93.

7. **Fees and Charges.** To open and maintain a line of credit, you must pay certain fees to third parties. These fees generally range from \$384.00 to \$721.00, depending upon the amount of your credit limit and the location of the property securing your Credit Line. In addition, we require that you obtain property insurance on the property securing your Credit Line.

Upon request, we will provide you with a more detailed itemization of the fees you will have to pay third parties.

The cost of title insurance and the amount of the mortgage recording tax shall be based on the maximum credit limit whether or not that amount is advanced.

8. **Minimum Draw Requirement and Credit Limit.** The minimum credit advance that you can receive is \$500.00. The minimum credit limit available is \$7,500.00.

9. **Tax Deductibility.** You should consult a tax advisor regarding the deductibility of interest and charges for the Credit Line.

10. **Variable Rate Feature.** The Credit Line has a variable rate feature, and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The annual percentage rate includes only interest and not other costs.

Your initial percentage rate will be fixed for the first thirty-six complete billing cycles and will be based on market conditions at the time of closing. Beginning with the thirty-seventh billing cycle, the annual percentage rate will be based on the value of an index. The index is the "Prime Rate" as published in the *Wall Street Journal*. When more than one Prime Rate may be published in any edition, the index will be the highest of the Prime Rates set forth. To determine the annual percentage rate that will apply to your Credit Line, we add a margin to the value of the index on the last Bank business day prior to the start of the billing cycle.

Ask us for the current index value, margin, initial rate premium or discount, and annual percentage rate. After you open a Credit Line, rate information will be provided on periodic statements that we send you.

11. **Rate Changes.** The annual percentage rate will be fixed for the first thirty-six complete billing cycles. Beginning with the thirty-seventh billing cycle, the annual percentage rate may change each billing cycle. Billing cycles run approximately from the third Saturday of one month to the third Saturday of the next month. The minimum ANNUAL PERCENTAGE RATE that can apply during the term of the Credit Line is 4.50% and the maximum ANNUAL PERCENTAGE RATE that can apply during the term of the Credit Line is 14.90%. Apart from this rate "floor" and rate "cap", there is no limit on the amount by which the rate can change during any one-monthly period beginning with the thirty-seventh billing cycle. The minimum rate or the maximum rate can be reached in the thirty-seventh billing cycle of your Credit Line.

12. **Minimum Rate and Maximum Rate and Payment Example.** If you had an outstanding balance \$10,000.00 at the beginning of your loan term, assuming a fifteen year loan term, the minimum monthly payment at the minimum ANNUAL PERCENTAGE RATE of 4.50% and at the maximum ANNUAL PERCENTAGE RATE of 14.90% would be \$200.00. This amount reflects the operation of the minimum payment amount of \$200.00. Any amounts included in the minimum payment amount which are in excess of accrued interest, principal and credit life insurance premiums, if purchased, for the current month will be credited directly to principal.

13. **Historical Example.** The following table shows how the annual percentage rate and the minimum monthly payments for a single \$10,000.00 cash advance would have changed based on changes in the index over the past fifteen years. The index values for the Prime Rate are from January of each year. While only one payment amount per year is shown, payments would have varied during each year. This example also assumes a fifteen-year loan term.

14. **No closing cost option.** If you select the no closing cost option and this loan is terminated for any reason within three (3) years of the date of loan closing, borrowers agree to reimburse Lender for the total cost of these fees which were paid by Lender in connection with this loan. These fees will be payable, in full, upon demand by the Lender.

THE TERM OF YOUR CREDIT LINE WILL BE DETERMINED BY YOU AND THE BANK. BECAUSE OF THE "REVOLVING" NATURE OF YOUR CREDIT LINE, IN ADDITION TO YOUR MONTHLY PAYMENTS DESCRIBED IN THIS DOCUMENT, YOU WILL BE REQUIRED TO REPAY THE ENTIRE PRINCIPAL BALANCE OWING AT THE END OF YOUR CREDIT LINE TERM PLUS ANY ACCRUED INTEREST.

THE BANK HAS NO OBLIGATION TO REFINANCE THIS CREDIT LINE AT THE END OF YOUR CREDIT LINE TERM. THEREFORE, YOU MAY BE REQUIRED TO REPAY THE BALANCE OF YOUR CREDIT LINE OUT OF ASSETS YOU OWN OR YOU MAY HAVE TO FIND ANOTHER LENDER WILLING TO REFINANCE THAT BALANCE.

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SEE REVERSE SIDE FOR ADDITIONAL DISCLOSURES

\_\_\_\_\_  
Signature Date Signature Date

The table assumes that (a) no additional credit advances were taken, (b) you did not purchase credit life or disability insurance, (c) only the minimum monthly payment was made, and (d) the annual percentage rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

<u>YEAR</u>	<u>INDEX(%)</u>	<u>MARGIN+</u>	<u>APR</u>	<u>PAYMENT</u>
1995.....	8.50	1.00	9.50	200.00(*)
1996.....	8.50	1.00	9.50	
1997.....	8.25	1.00	9.25	
1998.....	8.50	1.00	9.50	
1999.....	7.75	1.00	8.75	
2000.....	8.50	1.00	9.50	
2001.....	9.50	1.00	10.50	
2002.....	4.75	1.00	5.75	
2003.....	4.25	1.00	5.25	
2004.....	4.00	1.00	5.00	
2005.....	5.75	1.00	6.75	
2006.....	7.25	1.00	8.25	
2007.....	8.25	1.00	9.25	
2008.....	7.25	1.00	8.25	
2009.....	3.25	1.00	4.50-	

- + This is a margin we have used recently.
- ° This rate reflects the 14.9% maximum rate limitation.
- \* This reflects a minimum payment of \$200.00.
- This rate reflects the 4.50% minimum rate limitation.

**YOU SHOULD CHECK WITH YOUR LEGAL ADVISOR AND WITH OTHER MORTGAGE LIEN HOLDERS AS TO WHETHER ANY PRIOR LIENS CONTAIN ACCELERATION CLAUSES WHICH WOULD BE ACTIVATED BY JUNIOR ENCUMBRANCE.**

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We can refuse to make additional extensions of credit or reduce your credit limit if: (d) the value of the real property securing the Credit Line declines significantly below its appraised value for purposes of the Credit Line, (e) we reasonably believe that you will not be able to meet the repayment obligations due to a material change in your financial circumstances, (f) you are in default of a material obligation of the Credit Line, (g) government action prevents us from imposing the annual percentage rate provided for in your Agreement with us or impairs our security interest such that the value of the interest is less than 120% of the Credit Line, (h) a government action prevents us from imposing the annual percentage rate provided for in your Agreement with us or impairs our security interest such that the value of the interest is less than 120% of the Credit Line, (h) a government authority has notified us that continued advances would constitute an unsafe business practice, or (i) we are entitled to terminate your Credit Line and to demand immediate payment in full under the terms of your Agreement with us, but have decided to take, temporarily, the alternative of prohibiting additional advances or of reducing the maximum credit limit.

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2001.....	9.50	.00	9.50	
2002.....	4.75	.00	4.75	
2003.....	4.25	.00	4.50-	
2004.....	4.00	.00	4.50-	
2005.....	5.75	.00	5.75	
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# **WATERTOWN SAVINGS BANK**

111 CLINTON STREET – WATERTOWN, NY 13601 (315) 788-7100

## **HOME EQUITY LINE OF CREDIT MATERIAL OBLIGATIONS**

The following is a list of the categories of contract obligations in the Home equity Line of Credit Agreement and Mortgage which we consider to be “Material Obligations” of the Borrower. If, as a Borrower, you default on, or fail to keep, any of these Material Obligations, the Bank will have the right: (1) to prohibit you from obtaining additional advances or (2) to reduce your maximum credit limit.

### **LIST OF BORROWER’S MATERIAL OBLIGATIONS**

1. To make all payments required under the Agreement and the Mortgage in full on a timely basis;
2. Not to act or to refrain from acting in such a manner that the Bank’s security for advances made under the Agreement or any right in that security is adversely impacted;
3. Not to engage in fraud or to misrepresent any information supplied to the Bank in connection with any phase of the Home Equity Line of Credit;
4. To provide financial information and access to the property which secures the Line of Credit (for purposes of reappraising the Property) as requested by the Bank;
5. Not to assign or transfer any interest Borrower has in the Home Equity Line of Credit, or in the Property which secures it, to anyone without the Bank’s prior written consent;
6. Not to default on any payments or obligations owed under the terms of any prior mortgage or security interest in the Property;
7. Not to request an advance, if the payment of it would cause Borrower’s maximum credit limit to be exceeded;
8. Not to request an advance if the Bank notifies me that by applicable law or regulation it is prohibited from making future advances under the Home Equity Line of Credit;
9. To maintain and use the Property in compliance with all applicable laws, ordinances, and regulation; and
10. To pay all taxes, assessments, fines, or other charges owed in connection with the Property when due.

These Material Obligations are further described in the Agreement and the Mortgage.

### **BANK’S SEPARATE RIGHT TO TERMINATE THE AGREEMENT**

In addition, if a Borrower defaults on the Material Obligations described in items “1”, “2”, or “3” above, the Bank will have the right to terminate the Agreement and demand immediate payment in full, in a single lump sum, of the entire amount owed under the Agreement and the Mortgage.