

DIRECTIONS FOR **HOME EQUITY LOANS**

*PLEASE READ AND COMPLETE ALL OF THE FOLLOWING INFORMATION –*

**ADDITIONAL REQUIREMENTS**

Completed Loan Application  
Verification of Income  
Copies of Deed and Survey  
Verification of Property Insurance

**Incomplete Loan Applications will cause a delay in the processing of your request!**

1. Insurance Option(s):

Only available for a maximum of 10 years up to \$55,000.00

Single Life      Joint Life      Single Disability      None

2. Amount Requested: \_\_\_\_\_

3. Payment Frequency:

Weekly      Biweekly      Monthly      Bimonthly  
(52 pymt/yr)      (26 pymt/yr)      (12 pymt/yr)      (24 pymt/yr)

4. Number of years the loan is to be repaid in:

5-Year Fixed      10-Year Fixed      15-Year Variable

5. Method of Repayment:

\_\_\_\_ Over-the-Counter Payment with 1<sup>st</sup> Payment Date of \_\_\_\_\_

\_\_\_\_ Payroll Direct Deposit

\_\_\_\_ Automatic Transfer Payment with 1<sup>st</sup> Payment Date of \_\_\_\_\_  
From: \_\_\_\_ Savings **or** \_\_\_\_ Checking

Loan Applications are reviewed on Tuesdays and Thursdays. Your application must be submitted to the Credit Union by 1:00 PM the day before a meeting to be acted on the following day. Please call the office in advance at **(607) 324-8384** to find out if the loan was approved.

## HOME EQUITY LOANS

The loan application process is as follows:

1. The Member must fill out and complete a loan application as well as provide a copy of the deed, a copy of the survey and current income verification.
2. A research of credit, flood determination, title search and appraisal are performed.
3. When all necessary paperwork has been turned in, the application will be given to the Credit Committee for review.
4. Upon approval, the Member will be required to sign all applicable forms and provide the Credit Union with proof of insurance on the home showing District #6 Federal Credit Union as lienholder.
5. The Credit Union offers Fixed Rate Home Equity Loans for five (5) years or ten (10) years. The Board of Directors will periodically review and set the fixed rate percentage. The Credit Union also offers a Variable Rate Home Equity Loan for a maximum period of fifteen (15) years with a draw period of five (5) years. The rate is based on the Prime Rate less .25% as of August 1<sup>st</sup> of the current year. Any adjustments to payments will be made effective as of September 1<sup>st</sup>.
6. Life and/or Disability Insurance are available through CUNA Mutual. The maximum coverage is for a period of 120 months (10 years) for up to \$55,000.00.
7. Flood Insurance is only required if the property is located in a flood zone. It is not available through the Credit Union. If needed, proof of insurance will be required.
8. Home Equity Loans will be granted for 80% of the appraised value less any outstanding debt on the home (ex: existing Mortgage).
9. The Member does have the right to prepay the Home Equity Loan. If the loan is paid off within three (3) years of the origination date, the Member will be required to pay the Third Party Fees incurred when the loan was granted in addition to a fee to file a Discharge of Mortgage at the County Clerk's Office.
10. Closing costs will include the cost to file the Mortgage at the County Clerk's Office and an appraisal fee. The filing fees at the County include one-half of 1% of the Mortgage, Mortgage Tax and fees for copies. The Member must pay one-half of the appraisal fees, which will depend on the location of the property.
11. Final payment of a Home Equity Loan will include a fee to file a Discharge of Mortgage at the County Clerk's Office.