

DIRECTIONS FOR **HOME EQUITY LOANS**

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

ADDITIONAL REQUIREMENTS

Completed Loan Application
Verification of Income
Copy of Deed
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 Life & \$30,000.00 Disability

Single Life Joint Life Single Disability Joint Disability None

2. Amount Requested: _____

3. Payment Frequency:

Weekly Biweekly Monthly Bimonthly
(52 pymts/yr) (26 pymts/yr) (12 pymts/yr) (24 pymts/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 1st Payment Date of _____

____ Payroll Direct Deposit

____ Automatic Transfer Payment with 1st 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 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. A "Notice of Right to Cancel" must be signed at this time giving the member a legal right under federal law to cancel the loan within three (3) business days. The Member will not receive any proceeds from the loan until the end of this three-day period.
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 1st of the current year. Any adjustments to payments will be made effective as of September 1st.
6. Life and/or Disability Insurance are available through CUNA Mutual Group. The maximum coverage is for a period of 120 months (10 years) for up to \$55,000.00 for Life Insurance and \$30,000.00 for Disability Insurance.
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 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.