



DATE	APPLICANT ACCOUNT NO.	CO-APPLICANT ACCOUNT NO.
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Amount Requested: Line of Credit \$ _____ Closed End \$ _____

Purpose: _____ Approximate Value: _____

Property Type: Single Family Home Condominium Townhouse Other _____

Property Address: _____

MARRIED APPLICANTS may apply for a separate account. **Check the type of credit account for which you wish to apply.**

Individual Credit – You must complete the applicant section about yourself and the other section about your spouse if: (1) You live in a community property state (AK, AZ, CA, ID, LA, NM, NV, P.R., TX, WA, WI); (2) your spouse will use the account; or (3) you are relying on your spouse's income as a source of repayment.

Joint Credit – If you are applying for a joint account or an account that you and another person will use, you must complete the applicant and other section.

_____ Initial here if you intend to apply for Joint Credit

APPLICANT

Complete for secured credit or if you live in a community property state.
 MARRIED SEPARATED UNMARRIED (Single, Divorced, Widowed)

FIRST NAME	INITIAL	LAST NAME
SOCIAL SECURITY NO.	DRIVER'S LICENSE NO. & STATE	BIRTH DATE
HOME PHONE NO.	NO. OF DEP.	AGE OF DEPENDENTS OTHER
MOTHER'S MAIDEN NAME	E-MAIL ADDRESS	
CURRENT STREET ADDRESS	APT. NO.	SINCE
CITY	STATE	ZIP CODE
FORMER STREET ADDRESS	YEARS THERE	
CITY	STATE	ZIP CODE
PERSONAL REFERENCE	RELATIONSHIP	

SPOUSE CO-APPLICANT CO-SIGNER

Complete for secured credit or if you live in a community property state.
 MARRIED SEPARATED UNMARRIED (Single, Divorced, Widowed)

FIRST NAME	INITIAL	LAST NAME
SOCIAL SECURITY NO.	DRIVER'S LICENSE NO. & STATE	BIRTH DATE
HOME PHONE NO.	NO. OF DEP.	AGE OF DEPENDENTS OTHER
RELATIONSHIP TO APPLICANT		
CURRENT STREET ADDRESS	APT. NO.	SINCE
CITY	STATE	ZIP CODE
FORMER STREET ADDRESS	YEARS THERE	
CITY	STATE	ZIP CODE
PERSONAL REFERENCE	RELATIONSHIP	

EMPLOYMENT & INCOME If you are self-employed, attach a financial statement and your most recent income tax return.

CURRENT EMPLOYER	HIRE DATE
WORK PHONE NO.	
POSITION	MONTHLY NET INCOME \$
FORMER EMPLOYER (if current less than 2 years)	

CURRENT EMPLOYER	HIRE DATE
WORK PHONE NO.	
POSITION	MONTHLY NET INCOME \$
FORMER EMPLOYER (if current less than 2 years)	

OTHER INCOME You need not list income from alimony, child support or separate maintenance unless you wish it considered for purposes of granting this credit.

SOURCE OF OTHER INCOME	FREQUENCY	MONTHLY INCOME
1.		\$
2.		\$

SOURCE OF OTHER INCOME	FREQUENCY	MONTHLY INCOME
1.		\$
2.		\$

ASSETS & DEPOSITS Please check the appropriate box below. INDICATE: **A** - Applicant **OR** **C** - Spouse/Co-Applicant

CHECK ONE "✓"			FINANCIAL INSTITUTION	CURRENT BALANCE	CHECK ONE "✓"			FINANCIAL INSTITUTION	CURRENT BALANCE
A	C	TYPE			A	C	TYPE		
		CHECKING		\$			MONEY MARKET		\$
		SAVINGS		\$			CDs		\$
		IRA's		\$			OTHERS		\$
AUTO 1	YEAR	MAKE	VALUE	\$	AUTO 2	YEAR	MAKE	VALUE	\$
REAL ESTATE				VALUE	OTHER ASSETS				VALUE
				\$					\$



INTEREST ONLY – HOME EQUITY EARLY DISCLOSURE IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of Credit. You should read it carefully and keep a copy for your records.

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 us, you are entitled to a refund of any fees you paid to us or anyone else in connection with your application.

SECURITY INTEREST: We will take a security interest on your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS: We can terminate your line, require you to pay us the entire outstanding balance in one payment and charge you certain fees, if:

- You engage in fraud or material misrepresentation in connection with the line.
- You do not meet the repayment terms.
- Your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the agreement.
- Government action prevents us from imposing the annual percentage rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum annual percentage rate is reached.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis. Your minimum monthly payment will be established at an amount equal to the interest due at the end of each billing cycle.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay the outstanding account balance (the repayment period). The length of the repayment period will depend on your outstanding account balance at the beginning of the repayment period but in no event exceed 120 months. During the repayment period, minimum payments will be calculated in the same manner as the draw period.

The minimum payment will not be sufficient to fully amortize your unpaid account balance by the Agreement Maturity Date and therefore, you will be required to pay the entire remaining balance in a single balloon payment at the end of the repayment period.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other credit advances it would take 240 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 4.00%. During that period, you would make 239 monthly payments of \$33.33 with a final balloon payment of \$10,033.33.

FEES AND CHARGES: To open or maintain a home equity line of credit, you must pay certain fees to third parties. These fees generally range from \$500.00 to \$1,300.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

LATE PAYMENT FEE: If your payment is not received by the payment due date, you will be charged 5.00% of the payment due.

PROPERTY INSURANCE: You must carry insurance on the property that secures this plan.

MINIMUM LINE OF CREDIT: The minimum Home Equity Line of Credit is \$7,500.00.

TAX DEDUCTIBILITY: You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

VARIABLE RATE: Your Plan is subject to a Variable Rate and the annual percentage rate (corresponding to the periodic rate) can change as a result. The annual percentage rate is based on the highest Prime Rate as published in the Money Rates Section of *The Wall Street Journal* and will be the rate in effect on the first business day of each calendar quarter ("Index"). If the index becomes unavailable, we will choose another Index with a similar Interest Rate. To determine the Annual Percentage Rate that will apply to your line of credit, we add our margin to the value of the index. Increases and decreases in the Interest Rate will result in like increases or decreases in Finance Charge and may affect the amount of your scheduled payments during the draw and repayment periods. The Annual Percentage Rate includes only interest and no other costs. Ask us for the current index value, margin, and Annual Percentage Rate. After you open a credit line, rate information will be provided in periodic statements that we send you.

RATE CHANGES: The annual percentage rate can change on the first day of each calendar quarter of each year. There is no limit on the amount by which the annual percentage rate can change during any one-year period other than the maximum and minimum Annual Percentage Rates that can apply at any time to this Plan. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** that can apply is 4.00%.

MAXIMUM RATE AND PAYMENT EXAMPLES

If you had an outstanding balance of \$10,000 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.00. This Annual Percentage Rate could be reached in the first month of the draw period.

If you had an outstanding balance of \$10,000 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.00. This Annual Percentage Rate could be reached in the first month of the repayment period.

HISTORICAL EXAMPLE: The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000 credit advance would have changed based on changes in the index. The index is from *The Wall Street Journal* and is calculated on the first business day of January of each year. While only one payment amount per year is shown, payments may have varied during the year.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Payment Period	Monthly Payment (Dollars)
1995	8.50	0.00	8.50	DRAW	\$70.83
1996	8.50	0.00	8.50	DRAW	\$70.83
1997	8.25	0.00	8.25	DRAW	\$68.75
1998	8.50	0.00	8.50	DRAW	\$70.83
1999	7.75	0.00	7.75	DRAW	\$64.58
2000	8.50	0.00	8.50	DRAW	\$70.83
2001	9.50	0.00	9.50	DRAW	\$79.16
2002	4.75	0.00	4.75	DRAW	\$39.58
2003	4.25	0.00	4.25	DRAW	\$35.41
2004	4.00	0.00	4.00 (2)	DRAW	\$33.33
2005	5.25	0.00	5.25	REPAYMENT	\$43.75
2006	7.25	0.00	7.25	REPAYMENT	\$60.41
2007	8.25	0.00	8.25	REPAYMENT	\$68.75
2008	7.25	0.00	7.25	REPAYMENT	\$60.41
2009	3.25	0.00	4.00 (2)	REPAYMENT	\$33.33

(1) This represents a margin we have recently used.

(2) This represents the 4.00% Minimum Annual Percentage Rate.

WHEN YOUR HOME IS ON THE LINE: What You Should Know About Home Equity Lines of Credit

More and more lenders are offering home equity lines of credit. By using the equity in your home, you may qualify for a sizable amount of credit, available for use when and how you please, at an interest rate that is relatively low. Furthermore, under the tax law - depending on your specific situation - you may be allowed to deduct the interest because the debt is secured by your home.

If you are in the market for credit, a home equity plan may be right for you or perhaps another form of credit would be better. Before making this decision, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risk. And, remember, failure to repay the loan could mean the loss of your home.

What is a home equity line of credit?

A home equity line of credit is a form of revolving credit in which your home serves as collateral. Because the home is likely to be a consumer's largest asset, many homeowners use their credit lines only for major items such as education, home improvements, or medical bills and not for day-to-day expenses.

With a home equity line, you will be approved for a specific amount of credit --- your credit limit, meaning the maximum amount you can borrow at any one time while you have the plan. Many lenders set the credit limit on a home equity line by taking a percentage (say 75 percent) of the appraised value of the home and subtracting the balance owed on the existing mortgage. For example:

Appraisal of home	\$100,000
Percentage	x 75%
Percentage of appraised value	= \$75,000
Less mortgage debt	- \$40,000
Potential credit line	\$35,000

In determining your actual credit line, the lender also will consider your ability to repay, by looking at your income, debts, and other financial obligations, as well as your credit history.

Many Home equity plans often set a fixed time during which you can borrow money, such as 10 years. At the end of the draw period; the plan may allow you to renew the credit line. But in a plan that does not allow renewals, you will not be able to borrow additional money once the once the draw period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed time, for example 10 years. Once approved for the home equity plan, usually you will be able to borrow up to your credit limit whenever you want. Typically, you will be able to draw on your line by using special checks. Under some plans, borrowers can use a credit card or other means to draw on the line.

However, there may be limitations on how you can use the line. Some plans may require you to borrow a minimum amount each time you draw on the line (for example, \$300) and to keep a minimum amount outstanding. Some lenders also may require that you take an initial advance when you first set up the line.

What should you look for when shopping for a plan?

If you decide to apply for a home equity line of credit, look for the plan that best meets your particular needs. Carefully read the credit agreement and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs you'll pay to establish the plan. The disclosed APR is based on the interest rate above and will not reflect the closing costs and other fees and charges, so you'll need to compare these costs, as well as the APRs, among lenders.

Interest Rate Charges and Related Plan Features. Home equity lines typically involve variable interest rates rather than fixed rates. A variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury bill rate); the interest rate will change, mirroring fluctuations in the index. Most lenders cite the interest rate you will pay as the value of the Index at a particular time plus a margin such as 2 percentage points.

Because the cost of borrowing is tied directly to the value of the index, it is important to find out what index and margin each lender uses, how often the index changes, and how high it has risen in the past.

Sometimes lenders advertise a temporarily discounted rate for home equity lines - a rate that is unusually low and often lasts only for an introductory period, such as six months.

Variable rate plans secured by a dwelling must by law have a ceiling (or cap) on how high your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase, and also how low your interest rate may fall if interest rates drop.

Some lenders may allow you to convert a variable rate to a fixed interest rate during the life of the plan, or to convert all or a portion of your line to a fixed-term installment loan.

Plans generally will permit the lender to freeze or reduce your credit line under certain circumstances. For example, some variable-rate plans may not allow you to get additional funds during any period the interest rate reaches the cap.

Costs to Establish and Maintain a Home Equity Line.

Many of the costs in setting up a home equity line of credit are similar to those you pay when you buy a home. For example:

- A fee for a property appraisal, which estimates the value of your home.
- An application fee, which may not be refundable if you are turned down for credit.
- Up-front charges, such as one or more points (one point equals one percent of the credit limit).
- Other closing costs, which include fees for attorneys, title search, mortgage preparation and filing, property and title insurance, as well as taxes.

In addition, you may be subject to certain fees during the plan period, such as annual membership or maintenance fees and a transaction fee every time you draw on the line.

You could find yourself paying hundreds of dollars to establish the plan. If you were to draw only a small amount against your credit line, those initial charges and closing costs would substantially increase the cost of the funds borrowed. On the other hand, the lender's risk is lower than for other forms of credit because your home serves as collateral. Annual percentage rates for home equity lines are generally lower than rates for other types of credit. The interest you save could offset the initial costs of establishing and maintaining the line. Moreover, some lenders may waive some or all of the closing costs.

How will you repay your home equity plan?

Before entering into a plan, consider how you will pay back the money you borrow. Some plans set minimum payments that cover a portion of the principal (the amount you borrow) plus accrued interest. But, unlike the typical installment loan, the portion that goes toward principal may not be enough to repay the debt by the end of the term. Other plans may allow payments of interest alone during the life of the plan, which means that you pay nothing toward the principal. If you borrow \$10,000, you will owe that entire sum when the plan ends.

Regardless of the minimum payment required, you can pay more than the minimum and many lenders offer a choice of payment options. Many consumers often will choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

Whatever your payment arrangements during the life of the plan - whether you pay some, a little, or none of the principal amount of the loan - when the plan ends you may have to pay the entire balance owed, all at once. You must be prepared to make this "balloon payment" by refinancing it with the lender, by obtaining a loan from another lender, or by some other means. If you are unable to make the balloon payment, you could lose your home.

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow \$10,000 under a plan that calls for interest only payments. At a 10 percent interest rate, your monthly payments would be \$83. If the rate should rise over time to 15 percent, your payments will increase to \$125 per month.

Even with payments that cover interest plus some portion of the principal, there could be a similar increase in your monthly payment, unless the agreement calls for keeping payments level throughout the plan.

If you sell your home, you probably will be required to pay off your home equity line in full immediately. If you are likely to sell your house in the near future, consider whether it makes sense to pay the up-front costs of setting up an equity credit line. Also keep in mind that leasing your home may be prohibited under the terms of your home equity agreement.

Comparing a line of credit and a traditional second mortgage loan.

If you are thinking about a home equity line of credit you might also want to consider a traditional second mortgage loan. A second mortgage provides you with a fixed amount of money repayable over a fixed period. In most cases, the payment schedule calls for equal payments that will pay off the entire loan within the loan period. You might consider a traditional second mortgage instead of a home equity line if, for example, you need a set amount for a specific purpose, such as an addition to your home.

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at the APR and other charges. Do not, however, simply compare the APR for a traditional mortgage loan with the APR for a home equity line because the APRs are figured differently:

- The APR for a traditional second mortgage takes into account the interest rate charged plus points and other finance charges
- The APR for a home equity line of credit is based on the periodic interest rate alone. It does not include points or other charges.

Disclosures from Lenders. The federal Truth in Lending Act requires lenders to disclose the important terms and costs of their home equity plans, including the APR, miscellaneous charges, the payment terms, and information about any variable-rate feature. And, in general, neither the lender nor anyone else may charge a fee until after you have received this information. You usually get these disclosures when you receive an application form, and you will get additional disclosures before the plan is opened. If any term (other than a variable rate feature) changes before the Plan is opened, the lender must return all fees if you decide not to enter into the plan because of the change.

When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you three (3) days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the three (3) day period. The lender must then cancel the security interest in your home and return all fees - including any application and appraisal fees - paid to open the account.

Glossary

Annual membership or participation fee. An amount that is charged annually for having the line of credit available. It is charged regardless of whether or not you use the line.

Annual percentage rate (APR). The cost of credit on a yearly basis expressed as a percentage.

Application fee. Fees that are paid upon application. An application fee may include charges for property appraisal and a credit report.

Balloon payment. A lump-sum payment that you may be required to make under a plan when the plan ends. Cap. A limit on how much the variable interest rate can increase during the life of the plan.

Closing costs. Fees paid at closing, including attorneys' fees, fees for preparing and filing a mortgage, for taxes, title search, and insurance.

Credit limit. The maximum amount that you can borrow under the home equity plan.

Equity. The difference between the fair market value (appraised value) of your home and your outstanding mortgage balance.

Index. The published rate that serves as a base for the interest rate charged on a home equity line and also serves as the base for the rate changes used by the lender.

Interest rate. The periodic charge, expressed as a percentage, for use of credit.

Margin. The number of percentage points the lender adds to the index rate to determine the annual percentage rate.

Minimum payment. The minimum amount that you must pay (usually monthly) on your account. In some plans, the minimum payment may cover "interest only." In other plans, the minimum payment may include principal and interest.

Points. A point is equal to one percent of the amount of your credit line. Points usually are collected at closing, and are in addition to monthly interest.

Security interest. An interest that a lender takes in the borrower's property to ensure repayment of a debt.

Transaction fee. A fee charged each time you draw on your credit line.

Variable rate. An interest rate that changes periodically in relation to an index. Payments may increase or decrease accordingly.

Where to Go for Help.

The following federal agencies are responsible for enforcing the federal Truth in Lending Act, the law that governs disclosure of terms for home equity lines of credit. Questions concerning compliance with the act by a particular financial institution should be directed to the institution's enforcement agency.

**State Banks that Are Members of the Federal Reserve System
Division of Consumer and Community Affairs Mail Stop**

Mail Stop 801
Federal Reserve Board
Washington, D.C. 20551
(202) 452-3693
www.federalreserve.gov

National Banks

Office of the Comptroller of the Currency Customer Assistance Unit
1301 McKinney St.
Suite 3710
Houston, TX 77010
(800) 613-6743
www.occ.treas.gov

Federal Credit Unions

National Credit Union Administration
Office of Public and Congressional Affairs
1775 Duke St.
Alexandria, VA 22314
(703) 518-6330
www.ncua.gov

Federally Insured Non-Member State-Chartered Banks and Savings Banks

Federal Deposit Insurance Corporation
Office of Compliance and Consumer Affairs
550 17th Street
Room PA-1730, 7th Floor
Washington, D.C. 20429
(202) 942-3100 or (800) 934-FDIC
www.fdic.gov

Federally Insured Savings and Loan Institutions and Federally Chartered Savings Banks

Office of Thrift Supervision
Consumer Programs
1700 G Street, N.W., 6th Floor
Washington, D.C. 20552
(202) 906-6237 or (800) 842-6929
www.ots.treas.gov

Mortgage Companies and Other Lenders

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
(202) 326-3758 or (877) FTC-HELP
www.ftc.gov

**Home Equity Plan
Check List**

Ask your lender to help fill out this check list.

Basic Features

Fixed annual percentage rate

Variable annual percentage rate

- Index used and current value
- Amount of margin
- Frequency of rate adjustments
- Amount/length of discount (if any)
- Interest rate cap and floor

Plan A

Plan B

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Length of plan

Draw period

Repayment period

_____	_____
_____	_____

Initial fees

Appraisal fee

Application fee

Up-Front Charges (including points)

Closing Costs

_____	_____
_____	_____
_____	_____
_____	_____

Repayment Terms

During the draw period

Interest and principal payments

Interest only payments

Fully amortizing payments

Plan A

Plan B

_____	_____
_____	_____
_____	_____

When the draw period ends

Balloon payment

Renewal available

Refinancing of balance by lender?

_____	_____
_____	_____
_____	_____

Member Request To Provide Homeowners Policy

Homeowners Insurance Company		
Name of Insurance Agent		
Insurance Company Address		
City	State	Zip
Homeowner's Policy Number		
RE:		

Dear Agent:

Please accept my permission to provide a copy of the homeowners policy listed above outlining all corresponding coverage, limits and deductibles to:

**UNITED STATES SENATE
FEDERAL CREDIT UNION**
Loan Services
P.O. Box 77920
Washington, DC 20013-8920

Additionally, please provide a written endorsement naming the **UNITED STATES SENATE FEDERAL CREDIT UNION** as ____ First ____ Second ____ Third mortgagor. Notify the Credit Union of any cancellation. Thank you.

X
X
Name(s) – please print
Address
City State Zip