



Your locally owned community bank

DENALI STATE BANK



Equal Housing Lender MEMBER FDIC

HOME EQUITY LINE OF CREDIT (HELOC)

(DSB Rev. 3/09)

By submitting this application, you certify that everything stated herein is correct. You also authorize us to check your credit and employment history. USA PATRIOT ACT- To help the government fight the funding of terrorism and money laundering activities, the USA Patriot Act, a Federal Law, requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account, including business accounts. What this means for you: we will ask for a government issued, photo ID that will allow us to identify you.

Amount Requested: Term Requested: Auto Pay: Specific Loan Purpose: Collateral Offered: Insurance Company: Insurance Agent: Would you like optional Payment Protection Insurance: Desired Monthly Payment Day :

PROPERTY INFORMATION

Subject Property Address: Subject Property Legal Description: Subject Property is or will be used as: Current Mortgage Balance(s): Current Mortgage Holder(s): Current Owner(s) of Property:

APPLICANT CO-APPLICANT Full Legal Name Physical Address City State Zip Mailing Address Home Phone Cell Phone Work Phone Social Security Number Date of Birth Marital Status Email Address Name of nearest relative not living with you Relationship Address Phone Number

EMPLOYMENT INFORMATION

Employer How Long Yrs. in the same field Position/Title Gross Monthly Income \*Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation. \*Source of Other Monthly Income

Table with columns: ASSETS, Balance or Value, LIABILITIES, Monthly Payment, Current Balance. Rows include Total Checking & Savings, Total Investments, Total Auto's and Recreational Vehicle Values, Total Real Estate Values, Other Assets, Total Assets (A), Total Liabilities (B), and NET WORTH (A) Minus (B).

IMPORTANT: DO NOT SIGN THIS FORM UNTIL YOU CAREFULLY READ IT AND UNDERSTAND ITS CONTENT

Purpose: You have submitted an application for a loan. In connection with your loan application, Lender may be soliciting, offering to sell, or will sell you an insurance product or annuity. Federal law requires Lender to provide you with following disclosures.

- Credit Disclosure: 1. Lender, as a condition of granting you a loan, cannot require that you purchase an insurance product or annuity from Lender or any of its affiliates. 2. Lender, as a condition granting you a loan, cannot require your agreement not to obtain or prohibit you from obtaining an insurance product or annuity from an unaffiliated entity.

The undersigned hereby declare and represent that they have read the foregoing Application, that all statements made therein are complete and true to their knowledge, that all financial and credit information of value to the consideration of this Loan Request has been given and that the statements are made and information given as an inducement to the Lender to grant the Loan for which this Application is made.

We are applying for Joint Credit. Please initial: Applicant Co-Applicant X Applicant's Signature Date X Co-Applicant's Signature Date



**If the purpose of your loan is either for HOME IMPROVEMENT, or to PURCHASE A HOME or to REFINANCE AN EXISTING MORTGAGE, please read the following information for Government Monitoring Purposes.**

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 laws 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 neither discriminate on the basis of this information, nor 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 MARK THE BOX PROVIDED BELOW**

**BORROWER**  I DO NOT WISH TO FURNISH THIS INFORMATION

**Ethnicity:**(Select Only One)  Hispanic or Latino  Not Hispanic or Latino

**Race:** (Select One or More)

- American Indian or Alaskan Native  Asian  
 Black or African American  White  
 Native Hawaiian or Other Pacific Islander

**Sex:**  Male  Female

**BORROWER**  I DO NOT WISH TO FURNISH THIS INFORMATION

**Ethnicity:**(Select Only One)  Hispanic or Latino  Not Hispanic or Latino

**Race:** (Select One or More)

- American Indian or Alaskan Native  Asian  
 Black or African American  White  
 Native Hawaiian or Other Pacific Islander

**Sex:**  Male  Female

# HOME EQUITY APPLICATION DISCLOSURE

**Borrower:**

**Lender:**

Denali State Bank  
Main Office  
119 N. Cushman St.  
Fairbanks, AK 99701

## IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our Denali Equity Advantage (the "Plan"). You should read it carefully and keep a copy for your records.

**AVAILABILITY OF TERMS.** All of the terms of the Plan described herein are subject to change. If any of 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 that you paid to us or anyone else in connection with your application.

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

**POSSIBLE ACTIONS.** Under this Plan, we have the following rights:

**Termination and Acceleration.** We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

**Suspension or Reduction.** In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions). No default will occur until we mail or deliver a notice of default to you, so you can restore your right to credit advances.
- (d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum annual percentage rate under the Plan is reached.

**Change in Terms.** We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

**Fees and Charges.** In order to open and maintain an account, you must pay certain fees and charges.

**Lender Fees.** The following fees must be paid to us:

Description	Amount	When Charged
Loan Origination Fee :	\$250.00	At Account Opening (on Loans >25,000)
Annual Fee:	75.00	Annually
Stop Payment Fee:	15.00	At the time you request a Stop Payment
Overlimit Charge:	50.00	At the time your Credit Line balance exceeds your credit limit

**Late Charge.** Your payment will be late if it is not received by us within 15 days after the "Payment Due Date" shown on your periodic statement. If your payment is late we may charge you 5.000% of the payment or \$15.00, whichever is less.

**Third Party Fees.** You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between \$4.45 and \$2,000.00. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Credit Report:	\$6.95 per report	At Account Opening
Title Insurance: \$250.00 minimum based on loan amount		At Account Opening (if required)
Appraisal Fee: \$550.00 minimum based on location		At Account Opening (if required)
Recording Fees:	\$22.00 to \$150.00	At Account Opening
Property Profile:	\$50.00	At Account Opening (In Lieu of Title Insurance)

**HOME EQUITY APPLICATION DISCLOSURE  
(Continued)**

**INDEX TABLE**

Year (as of the first business day in January)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
1995.....	8.500....	1.000	9.500	150.00
1996.....	8.500....	1.000	9.500	137.73
1997.....	8.250....	1.000	9.250	126.47
1998.....	8.500....	1.000	9.500	115.84
1999.....	7.750....	1.000	8.750	106.40
2000.....	8.500....	1.000	9.500	96.96
2001.....	9.500....	1.000	10.500	89.03
2002.....	4.750....	1.000	5.750	82.58
2003.....	4.250....	1.000	5.500 (8)	73.03
2004.....	4.000....	1.000	5.500 (8)	64.40
2005.....	5.250....	1.000	6.250	
2006.....	7.250....	1.000	8.250	
2007.....	8.250....	1.000	9.250	
2008.....	7.250....	1.000	8.250	
2009.....	3.250....	1.000	5.500 (8)	

(1) This is a margin we have used recently; your margin may be different.

(8) This A.P.R. reflects a 5.500 percent floor.

## WHAT YOU SHOULD KNOW ABOUT HOME EQUITY LINES OF CREDIT

If you are in the market for credit, a home equity plan is one of several options that might be right for you. Before making a decision, however, 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 risks. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

### WHAT IS A HOME EQUITY LINE OF CREDIT?

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

With a home equity line, you will be approved for a specific amount of credit.

Many lenders set the credit limit on a home equity line by taking a percentage (say, 75%) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example:

Appraised value of home	\$100,000
Percentage	x75%
Percentage of appraised value	=\$75,000
<u>Less balance owed on mortgage</u>	<u>- \$40,000</u>
Potential line of credit	\$35,000

In determining your actual credit limit, the lender will also consider your ability to repay the loan (principal and interest) by looking at your income, debts, and other financial obligations as well as your credit history.

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this "draw period," you may be allowed to renew the credit line. If your plan does not allow renewals, you will not be able to borrow additional money once the 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 period (the "repayment period"), for example, 10 years.

Once approved for a home equity line of credit, you will most likely be able to borrow up to your credit limit whenever you want. Typically, you will use special checks to draw on your line. Under some plans, borrowers can use a credit card or other means to draw on the line.

There may be other limitations on how you 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 plans may also require that you take an initial advance when the line is set up.

### 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. Read the credit agreement carefully, and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs of establishing the plan. Remember, though, that the APR for a home equity line is based on the interest rate alone and will not reflect closing costs and other fees and charges, so you'll need to compare these costs, as well as the APRs, among lenders.

#### **Variable interest rates**

Home equity lines of credit typically involve variable rather than fixed interest rates. The 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). In such cases, the interest rate you pay for the line of credit will change, mirroring changes in the value of 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 which index is used, how often the value of the index changes, and how high it has risen in the past. It is also important to note the amount of the margin.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines -- an "introductory" rate that is unusually low for a short period, such as 6 months. Variable-rate plans secured by a dwelling must, by law, have a ceiling

(or cap) on how much your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase and how low your interest rate may fall if the index drops. Some lenders allow you to convert from a variable interest rate to a fixed rate during the life of the plan, or to convert all or a portion of your line to a fixed-term installment loan.

## Costs of establishing and maintaining a home equity line

Many of the costs of setting up a home equity line of credit are similar to those you pay when you get a mortgage. For example,

- A fee for a property appraisal to estimate the value of your home;
- An application fee, which may not be refunded if you are turned down for credit;
- Up-front charges, such as one or more "points" (one point equals 1 percent of the credit limit); and
- Closing costs, including fees for attorneys, title search, mortgage preparation and filing, property and title insurance, and 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 credit line.

You could find yourself paying hundreds of dollars to establish the plan. And if you were to draw only a small amount against your credit line, those initial charges would substantially increase the cost of the funds borrowed. On the other hand, because the lender's risk is lower than for other forms of credit, as 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 costs of establishing and maintaining the line. Moreover, some lenders 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 a monthly payment that includes a portion of the principal (the amount you borrow) plus accrued interest. But unlike with typical installment loan agreements, the portion of your payment that goes toward principal may not be enough to repay the principal by the end of the term. Other plans may allow payment of interest only during the life of the plan, which means that you pay nothing toward the principal. If you borrow \$10,000, you will owe that amount when the plan ends.

Regardless of the minimum required payment on your home equity line, you may choose to pay more, and many lenders offer a choice of payment options. Many consumers 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% interest rate, your monthly payments would be \$83. If the rate rises over time to 15%, your monthly payments will increase to \$125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments may increase, unless your agreement calls for keeping payments the same throughout the plan period.

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

## Lines of credit vs. traditional second mortgage loans

If you are thinking about a home equity line of credit, you might also want to consider a traditional second mortgage loan. This type of loan provides you with a fixed amount of money, repayable over a fixed period. In most cases, the payment schedule calls for equal payments that pay off the entire loan within the loan period. You might consider a 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 both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

- The APR for a traditional second mortgage loan 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 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 3-day period. The lender must then cancel its security interest in your home and return all fees -- including any application and appraisal fees -- paid to open the account.

## What if the lender freezes or reduces your line of credit?

Plans generally permit lenders to freeze or reduce a credit line if the value of the home "declines significantly" or, when the lender "reasonably believes" that you will be unable to make your payments due to a "material change" in your financial circumstances. If this happens, you may want to:

- Talk with your lender. Find out what caused the lender to freeze or reduce your credit line and what, if anything, you can do to restore it. You may be able to provide additional information to restore your line of credit, such as documentation showing that your house has retained its value or that there has not been a "material change" in your financial circumstances. You may want to get copies of your credit reports (go to Federal Trade Commission's website, at [www.ftc.gov/freereports](http://www.ftc.gov/freereports), for information about free copies) to make sure all the information in them is correct. If your lender suggests getting a new appraisal, be sure you discuss appraisal firms in advance so that you know they will accept the new appraisal as valid.
- Shop around for another line of credit. If your lender does not want to restore your line of credit, shop around to see what other lenders have to offer. You may be able to pay off your original line of credit and take out another one. Keep in mind, however, that you may need to pay some of the same application fees you paid for your original line of credit.

## GLOSSARY

**Annual membership or maintenance fee** - An annual charge for access to a financial product such as a line of credit, credit card, or account. The fee is charged regardless of whether or not the product is used.

**Annual percentage rate (APR)** - The cost of credit, expressed as a yearly rate. For closed-end credit, such as car loans or mortgages, the APR includes the interest rate, points, broker fees, and other credit charges that the borrower is required to pay. An APR, or an equivalent rate, is not used in leasing agreements.

**Application fee** - Fees charged when you apply for a loan or other credit. These fees may include charges for property appraisal and a credit report.

**Balloon payment** - A large extra payment that may be charged at the end of a mortgage loan or lease.

**Cap (interest rate)** - A limit on the amount that your interest rate can increase. Two types of interest-rate caps exist. *Periodic adjustment caps* limit the interest-rate increase from one adjustment period to the next. *Lifetime caps* limit the interest-rate increase over the life of the loan. By law, all adjustable-rate mortgages have an overall cap.

**Closing or settlement costs** - Fees paid when you close (or settle) on a loan. These fees may include application fees; title examination, abstract of title, title insurance, and property survey fees; fees for preparing deeds, mortgages, and settlement documents; attorneys' fees; recording fees; estimated costs of taxes and insurance; and notary, appraisal, and credit report fees. Under the Real Estate Settlement Procedures Act, the borrower receives a good faith estimate of closing costs within three days of application. The good faith estimate lists each expected cost as an amount or a range.

**Credit limit** - The maximum amount that may be borrowed on a credit card or under a home equity line of credit plan.

**Equity** - The difference between the fair market value of the home and the outstanding balance on your mortgage plus any outstanding home equity loans.

**Index** - The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index rate can increase or decrease at any time. See also Selected Index Rates for ARMs over an 11-year Period ([www.federalreserve.gov/pubs/arms/arms\\_english.htm](http://www.federalreserve.gov/pubs/arms/arms_english.htm)) for examples of common indexes that have changed in the past.

**Interest rate** - The percentage rate used to determine the cost of borrowing money, stated usually as a percentage of the principal loan amount and as an annual rate.

**Margin** - The number of percentage points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.

**Minimum payment** - The lowest amount that you must pay (usually monthly) to keep your account in good standing. Under some plans, the minimum payment may cover interest only; under others, it may include both principal and interest.

**Points (also called discount points)** - One point is equal to 1 percent of the principal amount of a mortgage loan. For example, if a mortgage is \$200,000, one point equals \$2,000. Lenders frequently charge points in both fixed-rate and adjustable-rate mortgages to cover loan origination costs or to provide additional compensation to the lender or broker. These points usually are paid at closing and may be paid by the borrower or the home seller, or may be split between them. In some cases, the money needed to pay points can be borrowed (incorporated in the loan amount), but doing so will increase the loan amount and the total costs. Discount points (also called discount fees) are points that you voluntarily choose to pay in return for a lower interest rate.

**Security interest** - If stated in your credit agreement, a creditor's, lessor's, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement.

**Transaction fee** - Fee charged each time a withdrawal or other specified transaction is made on a line of credit, such as a balance transfer fee or a cash advance fee.

**Variable rate** - An interest rate that changes periodically in relation to an index, such as the prime rate. Payments may increase or decrease accordingly.

## **Where to go for help**

For additional information or to file a complaint about a bank, savings and loan, credit union, or other financial institution, contact one of the following federal agencies, depending on the type of institution.

**State-chartered bank members of the Federal Reserve System**

Federal Reserve Consumer Help

PO Box 1200  
Minneapolis, MN 55480  
888-851-1920 (toll free)  
877-766-8533 (TTY) (toll free)  
877-888-2520 (fax) (toll free)  
e-mail: [ConsumerHelp@federalReserve.gov](mailto:ConsumerHelp@federalReserve.gov)  
[www.FederalReserveConsumerHelp.gov](http://www.FederalReserveConsumerHelp.gov)

**National banks and national-bank owned mortgage companies<sup>1</sup>**

Office of the Comptroller of the Currency (OCC)  
Customer Assistance Group  
1301 McKinney Street, Suite 3450  
Houston, TX 77010  
800-613-6743 (toll free)  
713-336-4301 (fax)  
e-mail: [customer.assistance@occ.treas.gov](mailto:customer.assistance@occ.treas.gov)  
[www.occ.treas.gov](http://www.occ.treas.gov)  
[www.helpwithmybank.gov](http://www.helpwithmybank.gov)

**Federally chartered credit unions<sup>2</sup>**

National Credit Union Administration (NCUA)  
Office of Public and Congressional Affairs  
1775 Duke Street  
Alexandria, VA 22314  
800-755-1030 (toll free)  
703-518-6409 (fax)  
e-mail: [consumerassistance@ncua.gov](mailto:consumerassistance@ncua.gov)  
[www.ncua.gov/ConsumerInformation/index.htm](http://www.ncua.gov/ConsumerInformation/index.htm)

For state-chartered credit unions, contact the regulatory agency in the state in which the credit union is chartered.  
[www.ncua.gov/consumerinformation/consumer%20complaints/statechartered.htm](http://www.ncua.gov/consumerinformation/consumer%20complaints/statechartered.htm)

**Federally insured state-chartered banks that are not members of the Federal Reserve System**

Federal Deposit Insurance Corporation (FDIC)  
Consumer Response Center  
2345 Grand Blvd., Suite 100  
Kansas City, MO 64108  
877-ASK-FDIC (877-275-3342) (toll free)  
e-mail: [consumeralerts@fdic.gov](mailto:consumeralerts@fdic.gov)  
[www.fdic.gov/consumers/consumer/ccc/index.html](http://www.fdic.gov/consumers/consumer/ccc/index.html)

**Savings and loan associations<sup>3</sup>**

Office of Thrift Supervision (OTS)  
Consumer Affairs  
1700 G Street, NW  
Washington, DC 20552  
800-842-6929 (toll free)  
800-877-8339 (TTY) (toll free)  
[www.ots.treas.gov](http://www.ots.treas.gov)

**Mortgage companies and other lenders**

Federal Trade Commission (FTC)  
Consumer Response Center  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
202-326-3758 or (877) FTC-HELP  
866-FTC-HELP (877-382-4357) (toll-free)  
[www.ftc.gov](http://www.ftc.gov)

- 1 Banks with "National" in their name or "N.A." after the name.
- 2 Credit unions with "Federal" in their name.
- 3 Federally chartered and some state-chartered associations.

**More Resources and ordering information**

For more resources on mortgages and other financial topics, visit [www.federalreserve.gov/consumerinfo](http://www.federalreserve.gov/consumerinfo).

**HOME EQUITY PLAN CHECK LIST**

Ask your lender to help fill out this checklist.

**BASIC FEATURES**

	<u>Plan A</u>	<u>Plan B</u>
Fixed annual percentage rate .....	<input style="width: 100px;" type="text" value="%"/>	<input style="width: 100px;" type="text" value="%"/>
Variable annual percentage rate .....	<input style="width: 100px;" type="text" value="%"/>	<input style="width: 100px;" type="text" value="%"/>
Index used and current value .....	<input style="width: 100px;" type="text" value="%"/>	<input style="width: 100px;" type="text" value="%"/>
Amount of margin.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Frequency of rate adjustments .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Amount/length of discount (if any) .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Interest rate cap and floor .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>

**Length of Plan**

Draw period.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Repayment period.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>

**Initial fees**

Appraisal fee .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Application fee .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Up-front charges, including points .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Closing costs.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>

**REPAYMENT TERMS**

**During the draw period**

Interest and principal payments.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Interest-only payments.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Fully amortized payments.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>

**When the draw period ends**

Balloon payment? .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Renewal available?.....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>
Refinance of balance by lender? .....	<input style="width: 100px;" type="text"/>	<input style="width: 100px;" type="text"/>