THIS PACKAGE CONTAINS THE FOLLOWING FORMS:

_____Mortgage Loan Application
_____Contact Information Form
_____Authorization to Release Information
_____Authorization to Charge Account
_____Patriot Act Compliance Notice
_____Adjustable-Rate Mortgage (ARM) Disclosure
_____Mortgage Loan Originator Information Page
_____List of Creditors to be Paid
_____Disclosure of Application and Processing Fees
_____Subject Property Information Form
_____E-Sign Disclosure Form
_____Your Home Loan Toolkit
_____Adjustable-Rate Mortgage (ARM) CHARM Booklet
_____Key Questions to Ask About Your Mortgage
_____Privacy Notice

It is important that you provide all of the requested information. **The application is not complete and cannot be accepted without all requested information.**

Commencing **April 16, 2024** mortgage applications will be processed as follows:

(1) **Credit Report Fee:**

Credit Report Fee:	
Single	**$48.15**
Joint	**$96.30**

Additional Borrower(s) add $39.69 for single and $79.39 for joint.

When submitting the application, please alert the Bank if your credit is currently frozen or additional fees may apply.

(2) **Application Fee:** **$450***

*Inclusive in the application fee - flood search, attorney review, IRS Transcript fee and underwriting fee.

(3) **Appraisal Fee:** **Single Family / Condo / Townhouse - $400 - $610**

Appraisal fee for 2-4 family or property values over $1,000,000 may be higher,

Appraisal fee for condos or townhouses may be higher due to questionnaire fees the homeowners association might charge and is required to complete appraisal.

(4) **Origination Fee:** **$995** (collected at closing)

(5) Your application will not continue to be processed unless we receive your signed disclosures and Intent to Proceed.

(6) Your rate will be automatically locked upon receipt of a completed application, at no charge, for 60 days. After that your rate will be floating and will lock 7 days prior to closing. The application will take approximately 3 weeks to process.

(7) **You will need an attorney licensed to practice in NEW JERSEY to close the loan**. Upon approval your attorney will have 60 days from the date of application to close the loan.

(8) Applications will be accepted for processing within the areas of **Atlantic, Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union and Warren counties.**

(9) **Automatic Checking Transfer Option - YES _____ NO _____**

(10) The maximum mortgage offered is a percentage of the sales price or appraised value, whichever is lower. **The maximum LTV limits for Fixed Rate or Adjustable Rate Mortgages are as follows:**

Owner Occupied 1-4 family:

Conforming and Super Conforming:	80% max LTV up to $1,149,825
Jumbo:	80% max LTV up to $2,000,000
Condominiums or Townhouses:	Reduce the stated LTV's by 5%;
Investment properties:	Reduce the stated LTV's by 10%.

(11) All loans that do not have a minimum of an 80% LTV on a 1-4 family dwelling will require PMI and will adhere to current PMI company guidelines. For loans requiring PMI, the bank will require 10% down payment on loans up to Conforming and Super Conforming limits. Loan amounts above those limits are not eligible for PMI.

(12) We require income verification on our loans. The present gross income test is 43% for loans up to $1,149,825 and 38% for loans over $1,149,825. Real estate taxes and credit obligations are included.

(13) Please contact the Mortgage Department for Multi Family (3-4 Units). The loan to value ratio, the maximum loan amount and the appraisal cost of 3 and 4 family home loans will be quoted on a case-by-case basis.

(14) If the mortgaged property is located within an area that is designated as being subject to a special flood hazard by the Federal Government, flood insurance coverage must be provided in an amount to cover all liens on the properties or the maximum amount of coverage available. This policy must be presented prior to closing. Failure to comply with the above is in violation of the Flood Disaster Protection Act of 1973-P.L. 93-23. By regulation, we must escrow for flood insurance premiums.

(15) Please note that deposits and loans cannot be verified if you fail to provide a complete and accurate account number and mailing address.

(16) If your present address or current employer is less than two years, you must provide the Bank with your previous address or previous employment.

ADDITIONAL REQUIREMENTS:

a) **Contracts of Sale:** A fully executed copy of the Purchase Sales Contract must be submitted with your application unless this is for the purpose of refinancing your present mortgage. If the proceeds of the sale of your present residence will be required to affect the purchase of the subject property, a copy of the fully executed Contract of Sale for your present residence must be submitted with your application. If such a contract has not been executed, details of the provisions made for the Bridge Financing must be provided at the time of application.

b) **Proof of Income Requirements: P**revious two (2) years W-2's along with two (2) consecutive most recent pay stubs including YTD earnings for each borrower and signed copies of your previous two (2) years' FEDERAL INCOME TAX returns with all attached schedules must accompany your application.

c) **Condominiums:** Should be FNMA (Fannie Mae) and/or FHLMC (Freddie Mac) approved**.** A copy of the Master Deed will be required**.**

d) **Asset Verification:** For all asset accounts, we will require account statements for the most recent **three** consecutive months.

Application and required papers can be dropped off or mailed to any of the above locations. Documents can also be securely uploaded to Bogota Savings Bank, ask your loan officer for details. All of the above items must accompany the application in order to process your loan. Any missing items will delay the processing procedure.

For current rate information or to apply online please visit us at; www.bogotasavingsbank.com
If we may assist you in any way in completing this application,
please contact the Mortgage Department at (201) 862-0660.
NMLS ID# 630150

DISCLOSURE OF APPLICATION AND FEES

1st Mortgage

There are costs and fees which will be charged in connection with applying for a mortgage loan. The purpose of this disclosure document is to provide you with information as to these costs and fees and an explanation as to the circumstances which will entitle you to a refund of all or some of the costs and fees. This disclosure does not include all anticipated closing costs.

1. **Fees and Costs:**

Credit Report Fee:	
Single	$48.15
Joint	$96.30
(Additional Borrower(s) add $48.15 for single and $96.30 for joint.)	
Underwriting Fee:	$69.00 - $119.00
Attorney Review Fee:	$300.00 - $350.00
Flood Hazard Search:	$13.00
IRS Tax Return Transcript Fee:	$18.00
Application Fee (Total)	**$450.00 + Credit Report Fee**
Appraisal Fee (Single Family / Condo / Townhouses):	$400.00 - $610.00

Appraisal fees for 2-4 family or property values over $1,000,000 may be higher

Appraisal fee for condos or townhouses may be higher due to questionnaire fees the homeowners' association might charge and is required to complete appraisal.

We may order an appraisal to determine the value of the collateral property and charge you for this appraisal. We will promptly provide you with a copy of the appraisal even if the loan does not close. You can pay for an additional appraisal for your use at your own cost.

Origination Fee Collected At Closing: $995.00

2. If this loan is a refinance of your primary residence, your loan will be subject to the rescission provisions of Federal Regulation Z (about which you will receive additional disclosures). If you rescind within the time period permitted by Regulation, you will be entitled to a refund of fees, except the Underwriting fee and fees paid to a third party.

3. **Borrower Obligations**

By signing below, you agree that you or your agent(s) will:

A. provide requested information and/or documentation within the required time frame and in the manner we specify; and

B. provide accurate and complete information which corresponds with all other information and/or documentation supplied by you or your agent(s).

In the event your loan is approved and a commitment is issued, you or your agent(s) must:

C. produce on or before the date we specify all documentation requested in the commitment or closing instructions; and

D. be ready, willing and able to close your loan on or before the date we specify.

Your agent(s) include, but are not limited to your attorney, Settlement Agent, title company, surveyor, insurer, employer (current or previous), creditor, depository institution, and any other providers of documentation or information which is material to the processing or closing of your loan and who is not the responsibility of the lender.

4. If you have questions, comments or complaints, you may put them in writing addressed to:

   Mortgage Department
   Bogota Savings Bank
   819 Teaneck Road
   Teaneck, NJ 07666

ACKNOWLEDGEMENT:

This Application Disclosure is intended to supplement other federally required disclosures you will receive such as the Loan Estimate, Notice to Home Loan Applicant and Addendum to Loan Application. These other disclosures describe certain material aspects of your loan. Please review these documents carefully.

I understand, acknowledge, and agree that the Lender and Other Loan Participants can obtain, use and share tax return information for purposes of (i) providing an offer; (ii) originating, maintaining, managing, monitoring, servicing, selling, insuring, and securitizing a loan; (iii) marketing; or (iv) as otherwise permitted by applicable laws, including state and federal privacy and data security laws. The Lender includes the Lender's affiliates, agents, service providers and any of aforementioned parties' successors and assigns. The Other Loan Participants includes any actual or potential owners of a loan resulting from your loan application, or acquirers of any beneficial or other interest in the loan, any mortgage insurer, guarantor, any servicers or service providers for these parties and any of aforementioned parties' successors and assigns.

In addition, this constitutes neither an approval of your loan nor a commitment by us to make you a loan. By signing below, I hereby acknowledge that I have received a copy of this Application Disclosure.

_____ _____

Applicant Signature *Date*

_____ _____

Applicant Signature *Date*

BOGOTA SAVINGS BANK
819 TEANECK ROAD
TEANECK, NJ 07666

AUTHORIZATION TO RELEASE INFORMATION

1. I/We have applied for a mortgage loan from Bogota Savings Bank (Lender). As part of the application process, Bogota Savings Bank (Lender) and the mortgage guaranty insurer (if any) may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.

2. I/We authorize you to provide Bogota Savings Bank (Lender) and any investor to whom Bogota Savings Bank (Lender) may sell my mortgage and the mortgage guaranty insurer (if any) any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income, bank, money market, and similar account balances, credit history, and copies of income tax returns.

3. Bogota Savings Bank (Lender) or any investor that purchases the mortgage or the mortgage guaranty insurer (if any) may address this authorization to any party named in the loan application.

4. I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make false statements when applying for this mortgage as applicable under provisions of Title 18, United States Code, Section 1014.

5. A copy of the authorization may be accepted as an original.

_____ _____
Signature of Applicant Social Security Number

_____ _____
Signature of Applicant Social Security Number

_____
Date

AUTHORIZATION TO CHARGE ACCOUNT

This will authorize Bogota Savings Bank to automatically withdraw from our Bogota Savings Bank Checking Account # _____, and apply to Loan #_____, the amount due on the 1st of each month.

Please be sure funds are deposited early enough to be available on the 1st of each month, but no later than the 15th. If funds are not available, we are aware we will incur a late charge fee.

_____ _____
Signature Date

_____ _____
Signature Date

Rev. 04/24

Application will not be processed unless <u>ALL</u> information is completed.

*To be completed by the **Lender:***
Lender Loan No./Universal Loan Identifier _____ Agency Case No. _____

Uniform Residential Loan Application

Verify and complete the information on this application. If you are applying for this loan with others, each additional Borrower must provide information as directed by your Lender.

Section 1: Borrower Information.

This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name *(First, Middle, Last, Suffix)*

Alternate Names – *List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix)*

Social Security Number ____ – ____ – ____
(or Individual Taxpayer Identification Number)

Date of Birth *(mm/dd/yyyy)*
____/____/____

Citizenship
- ◯ U.S. Citizen
- ◯ Permanent Resident Alien
- ◯ Non-Permanent Resident Alien

Type of Credit
- ◯ I am applying for **individual credit.**
- ◯ I am applying for **joint credit.** Total Number of Borrowers: ____
  Each Borrower intends to apply for joint credit. **Your initials:** _____

List Name(s) of Other Borrower(s) Applying for this Loan
(First, Middle, Last, Suffix) – Use a separator between names

Marital Status
- ◯ Married
- ◯ Separated
- ◯ Unmarried
  (Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)

Dependents *(not listed by another Borrower)*
Number ____
Ages _____

Contact Information
Home Phone (____) ____ – _____
Cell Phone (____) ____ – _____
Work Phone (____) ____ – _____ **Ext.** _____
Email _____

Current Address
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Current Address? ____ Years ____ Months **Housing** ◯ No primary housing expense ◯ Own ◯ Rent ($ _____ /month)

If at Current Address for LESS than 2 years, list Former Address ☐ ***Does not apply***
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Former Address? ____ Years ____ Months **Housing** ◯ No primary housing expense ◯ Own ◯ Rent ($ _____ /month)

Mailing Address – *if different from Current Address* ☐ ***Does not apply***
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

1b. Current Employment/Self-Employment and Income

☐ ***Does not apply***

Employer or Business Name _____ Phone (____) ____ – _____
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Position or Title _____
Start Date ____/____/____ *(mm/dd/yyyy)*
How long in this line of work? ____ Years ____ Months

Check if this statement applies:
☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed**
- ◯ I have an ownership share of less than 25%.
- ◯ I have an ownership share of 25% or more.

Monthly Income (or Loss) $ _____

Gross Monthly Income

Base	$ _____	/month
Overtime	$ _____	/month
Bonus	$ _____	/month
Commission	$ _____	/month
Military Entitlements	$ _____	/month
Other	$ _____	/month
TOTAL $	**0.00**	**/month**

1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income

☐ *Does not apply*

Employer or Business Name _____ Phone (____) ____ – _____

Street _____ Unit # _____

City _____ State _____ ZIP _____ Country _____

Position or Title _____

Start Date ____ / ____ / _____ *(mm/dd/yyyy)*

How long in this line of work? ___ Years ___ Months

Check if this statement applies:

☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed**

○ I have an ownership share of less than 25%.

○ I have an ownership share of 25% or more.

Monthly Income (or Loss) $ _____

Gross Monthly Income

Base	$ _____	/month
Overtime	$ _____	/month
Bonus	$ _____	/month
Commission	$ _____	/month
Military Entitlements	$ _____	/month
Other	$ _____	/month
TOTAL $	**0.00**	**/month**

1d. IF APPLICABLE, Complete Information for Previous Employment/Self-Employment and Income

☐ *Does not apply*

Provide at least 2 years of current and previous employment and income.

Employer or Business Name _____

Street _____ Unit # _____

City _____ State _____ ZIP _____ Country _____

Position or Title _____

Start Date ____ / ____ / _____ *(mm/dd/yyyy)*

End Date ____ / ____ / _____ *(mm/dd/yyyy)*

☐ **Check if you were the Business Owner or Self-Employed**

Previous Gross Monthly Income $ _____ **/month**

1e. Income from Other Sources

☐ *Does not apply*

Include income from other sources below. Under Income Source, choose from the sources listed here:

- Alimony
- Automobile Allowance
- Boarder Income
- Capital Gains
- Child Support
- Disability
- Foster Care
- Housing or Parsonage
- Interest and Dividends
- Mortgage Credit Certificate
- Mortgage Differential Payments
- Notes Receivable
- Public Assistance
- Retirement *(e.g., Pension, IRA)*
- Royalty Payments
- Separate Maintenance
- Social Security
- Trust
- Unemployment Benefits
- VA Compensation
- Other

NOTE: *Reveal alimony, child support, separate maintenance, or other income ONLY IF you want it considered in determining your qualification for this loan.*

Income Source – *use list above*	**Monthly Income**
	$
	$
	$
Provide TOTAL Amount Here	**$ 0.00**

Section 2: Financial Information — Assets and Liabilities.

This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

2a. Assets – Bank Accounts, Retirement, and Other Accounts You Have

Include all accounts below. Under Account Type, choose from the types listed here:

- Checking
- Savings
- Money Market
- Certificate of Deposit
- Mutual Fund
- Stocks
- Stock Options
- Bonds
- Retirement *(e.g., 401k, IRA)*
- Bridge Loan Proceeds
- Individual Development Account
- Trust Account
- Cash Value of Life Insurance *(used for the transaction)*

Account Type – *use list above*	**Financial Institution**	**Account Number**	**Cash or Market Value**
			$
			$
			$
			$
			$
		Provide TOTAL Amount Here	**$ 0.00**

2b. Other Assets and Credits You Have

☐ ***Does not apply***

Include all other assets and credits below. Under Asset or Credit Type, choose from the types listed here:

Assets

- Proceeds from Real Estate Property to be sold on or before closing
- Proceeds from Sale of Non-Real Estate Asset
- Secured Borrowed Funds
- Unsecured Borrowed Funds
- Other

Credits

- Earnest Money
- Employer Assistance
- Lot Equity
- Relocation Funds
- Rent Credit
- Sweat Equity
- Trade Equity

Asset or Credit Type – *use list above*	**Cash or Market Value**
	$
	$
	$
	$
Provide TOTAL Amount Here	**$ 0.00**

2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe

☐ ***Does not apply***

List all liabilities below (except real estate) and include deferred payments. Under Account Type, choose from the types listed here:

- Revolving *(e.g., credit cards)*
- Installment *(e.g., car, student, personal loans)*
- Open 30-Day *(balance paid monthly)*
- Lease *(not real estate)*
- Other

Account Type – *use list above*	**Company Name**	**Account Number**	**Unpaid Balance**	*To be paid off at or before closing*	**Monthly Payment**
			$	☐	$
			$	☐	$
			$	☐	$
			$	☐	$
			$	☐	$

2d. Other Liabilities and Expenses

☐ ***Does not apply***

Include all other liabilities and expenses below. Choose from the types listed here:

- Alimony
- Child Support
- Separate Maintenance
- Job Related Expenses
- Other

	Monthly Payment
	$
	$
	$

Section 3: Financial Information — Real Estate.

This section asks you to list all properties you currently own and what you owe on them. ☐ *I do not own any real estate*

3a. Property You Own

If you are refinancing, list the property you are refinancing FIRST.

Address Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. *if not included in Monthly Mortgage Payment*	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
$			$	$	$

Mortgage Loans on this Property ☐ *Does not apply*

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit *(if applicable)*
		$	$	☐		$
		$	$	☐		$

3b. IF APPLICABLE, Complete Information for Additional Property

☐ *Does not apply*

Address Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. *if not included in Monthly Mortgage Payment*	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
$			$	$	$

Mortgage Loans on this Property ☐ *Does not apply*

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit *(if applicable)*
		$	$	☐		$
		$	$	☐		$

3c. IF APPLICABLE, Complete Information for Additional Property

☐ *Does not apply*

Address Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. *if not included in Monthly Mortgage Payment*	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
$			$	$	$

Mortgage Loans on this Property ☐ *Does not apply*

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit *(if applicable)*
		$	$	☐		$
		$	$	☐		$

Section 4: Loan and Property Information. This section asks about the loan's purpose and the property you want to purchase or refinance.

4a. Loan and Property Information

Loan Amount $ _____ **Loan Purpose** ◯ Purchase ◯ Refinance ◯ Other *(specify)* _____

Property Address Street _____ Unit # _____

City _____ State _____ ZIP _____ County _____

Number of Units _____ **Property Value $** _____

Occupancy ◯ Primary Residence ◯ Second Home ◯ Investment Property **FHA Secondary Residence** ☐

1. Mixed-Use Property. If you will occupy the property, will you set aside space within the property to operate your own business? *(e.g., daycare facility, medical office, beauty/barber shop)* ◯ NO ◯ YES

2. Manufactured Home. Is the property a manufactured home? *(e.g., a factory built dwelling built on a permanent chassis)* ◯ NO ◯ YES

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing ☐ *Does not apply*

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit *(if applicable)*
	◯ First Lien ◯ Subordinate Lien	$	$	$
	◯ First Lien ◯ Subordinate Lien	$	$	$

4c. Rental Income on the Property You Want to Purchase For Purchase Only ☐ *Does not apply*

Complete if the property is a 2-4 Unit Primary Residence or an Investment Property	Amount
Expected Monthly Rental Income	$
For LENDER to calculate: Expected Net Monthly Rental Income	$

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan ☐ *Does not apply*

Include all gifts and grants below. Under Source, choose from the sources listed here:

- Community Nonprofit
- Employer
- Federal Agency
- Local Agency
- Relative
- Religious Nonprofit
- State Agency
- Unmarried Partner
- Lender
- Other

Asset Type: Cash Gift, Gift of Equity, Grant	Deposited/Not Deposited	**Source** – *use list above*	Cash or Market Value
	◯ Deposited ◯ Not Deposited		$
	◯ Deposited ◯ Not Deposited		$

Section 5: Declarations. This section asks you specific questions about the property, your funding, and your past financial history.

5a. About this Property and Your Money for this Loan

A. Will you occupy the property as your primary residence? If YES, have you had an ownership interest in another property in the last three years? If YES, complete (1) and (2) below: (1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)? (2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	○ NO ○ YES ○ NO ○ YES _____ _____
B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?	○ NO ○ YES
C. Are you borrowing any money for this real estate transaction *(e.g., money for your closing costs or down payment)* or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application? If YES, what is the amount of this money?	○ NO ○ YES $ _____
D. 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application? 2. Have you or will you be applying for any new credit *(e.g., installment loan, credit card, etc.)* on or before closing this loan that is not disclosed on this application?	○ NO ○ YES ○ NO ○ YES
E. Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes *(e.g., the Property Assessed Clean Energy Program)*?	○ NO ○ YES

5b. About Your Finances

F. Are you a co-signer or guarantor on any debt or loan that is not disclosed on this application?	○ NO ○ YES
G. Are there any outstanding judgments against you?	○ NO ○ YES
H. Are you currently delinquent or in default on a Federal debt?	○ NO ○ YES
I. Are you a party to a lawsuit in which you potentially have any personal financial liability?	○ NO ○ YES
J. Have you conveyed title to any property in lieu of foreclosure in the past 7 years?	○ NO ○ YES
K. Within the past 7 years, have you completed a pre-foreclosure sale or short sale, whereby the property was sold to a third party and the Lender agreed to accept less than the outstanding mortgage balance due?	○ NO ○ YES
L. Have you had property foreclosed upon in the last 7 years?	○ NO ○ YES
M. Have you declared bankruptcy within the past 7 years? If YES, identify the type(s) of bankruptcy: ☐ Chapter 7 ☐ Chapter 11 ☐ Chapter 12 ☐ Chapter 13	○ NO ○ YES

Section 6: Acknowledgments and Agreements. This section tells you about your legal obligations when you sign this application.

Acknowledgments and Agreements

Definitions:

- "Lender" includes the Lender's agents, service providers, and any of their successors and assigns.
- "Other Loan Participants" includes (i) any actual or potential owners of a loan resulting from this application (the "Loan"), (ii) acquirers of any beneficial or other interest in the Loan, (iii) any mortgage insurer, (iv) any guarantor, (v) any servicer of the Loan, and (vi) any of these parties' service providers, successors or assigns.

I agree to, acknowledge, and represent the following:

(1) The Complete Information for this Application

- The information I have provided in this application is true, accurate, and complete as of the date I signed this application.
- If the information I submitted changes or I have new information before closing of the Loan, I must change and supplement this application, including providing any updated/supplemented real estate sales contract.
- For purchase transactions: The terms and conditions of any real estate sales contract signed by me in connection with this application are true, accurate, and complete to the best of my knowledge and belief. I have not entered into any other agreement, written or oral, in connection with this real estate transaction.
- The Lender and Other Loan Participants may rely on the information contained in the application before and after closing of the Loan.
- Any intentional or negligent misrepresentation of information may result in the imposition of:
  - (a) civil liability on me, including monetary damages, if a person suffers any loss because the person relied on any misrepresentation that I have made on this application, and/or
  - (b) criminal penalties on me including, but not limited to, fine or imprisonment or both under the provisions of Federal law (18 U.S.C. §§ 1001 *et seq.*).

(2) The Property's Security

The Loan I have applied for in this application will be secured by a mortgage or deed of trust which provides the Lender a security interest in the property described in this application.

(3) The Property's Appraisal, Value, and Condition

- Any appraisal or value of the property obtained by the Lender is for use by the Lender and Other Loan Participants.
- The Lender and Other Loan Participants have not made any representation or warranty, express or implied, to me about the property, its condition, or its value.

(4) Electronic Records and Signatures

- The Lender and Other Loan Participants may keep any paper record and/or electronic record of this application, whether or not the Loan is approved.
- If this application is created as (or converted into) an "electronic application", I consent to the use of "electronic records" and "electronic signatures" as the terms are defined in and governed by applicable Federal and/or state electronic transactions laws.
- I intend to sign and have signed this application either using my:
  - (a) electronic signature; or
  - (b) a written signature and agree that if a paper version of this application is converted into an electronic application, the application will be an electronic record, and the representation of my written signature on this application will be my binding electronic signature.
- I agree that the application, if delivered or transmitted to the Lender or Other Loan Participants as an electronic record with my electronic signature, will be as effective and enforceable as a paper application signed by me in writing.

(5) Delinquency

- The Lender and Other Loan Participants may report information about my account to credit bureaus. Late payments, missed payments, or other defaults on my account may be reflected in my credit report and will likely affect my credit score.
- If I have trouble making my payments I understand that I may contact a HUD-approved housing counseling organization for advice about actions I can take to meet my mortgage obligations.

(6) Authorization for Use and Sharing of Information

By signing below, in addition to the representations and agreements made above, I expressly authorize the Lender and Other Loan Participants to obtain, use, and share with each other (i) the loan application and related loan information and documentation, (ii) a consumer credit report on me, and (iii) my tax return information, as necessary to perform the actions listed below, for so long as they have an interest in my loan or its servicing:

- (a) process and underwrite my loan;
- (b) verify any data contained in my consumer credit report, my loan application and other information supporting my loan application;
- (c) inform credit and investment decisions by the Lender and Other Loan Participants;
- (d) perform audit, quality control, and legal compliance analysis and reviews;
- (e) perform analysis and modeling for risk assessments;
- (f) monitor the account for this loan for potential delinquencies and determine any assistance that may be available to me; and
- (g) other actions permissible under applicable law.

Borrower Signature _____ Date *(mm/dd/yyyy)* ____/____/____

Additional Borrower Signature _____ Date *(mm/dd/yyyy)* ____/____/____

Section 7: Military Service. This section asks questions about your (or your deceased spouse's) military service.

Military Service of Borrower

Military Service – Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces? ◯ **NO** ◯ **YES**

If YES, check all that apply:
- ☐ Currently serving on active duty with projected expiration date of service/tour ___/___/_____ *(mm/dd/yyyy)*
- ☐ Currently retired, discharged, or separated from service
- ☐ Only period of service was as a non-activated member of the Reserve or National Guard
- ☐ Surviving spouse

Section 8: Demographic Information. This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: *Check one or more*
- ☐ Hispanic or Latino
  - ☐ Mexican ☐ Puerto Rican ☐ Cuban
  - ☐ Other Hispanic or Latino – *Print origin:* _____
    For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.
- ☐ Not Hispanic or Latino
- ☐ I do not wish to provide this information

Sex
- ☐ Female
- ☐ Male
- ☐ I do not wish to provide this information

Race: *Check one or more*
- ☐ American Indian or Alaska Native – *Print name of enrolled or principal tribe:* _____
- ☐ Asian
  - ☐ Asian Indian ☐ Chinese ☐ Filipino
  - ☐ Japanese ☐ Korean ☐ Vietnamese
  - ☐ Other Asian – *Print race:* _____
    For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.
- ☐ Black or African American
- ☐ Native Hawaiian or Other Pacific Islander
  - ☐ Native Hawaiian ☐ Guamanian or Chamorro ☐ Samoan
  - ☐ Other Pacific Islander – *Print race:* _____
    For example: Fijian, Tongan, and so on.
- ☐ White
- ☐ I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

Was the ethnicity of the Borrower collected on the basis of visual observation or surname? ◯ NO ◯ YES
Was the sex of the Borrower collected on the basis of visual observation or surname? ◯ NO ◯ YES
Was the race of the Borrower collected on the basis of visual observation or surname? ◯ NO ◯ YES

The Demographic Information was provided through:

◯ Face-to-Face Interview *(includes Electronic Media w/ Video Component)* ◯ Telephone Interview ◯ Fax or Mail ◯ Email or Internet

Section 9: Loan Originator Information. To be completed by your **Loan Originator**.

Loan Originator Information

Loan Originator Organization Name BOGOTA SAVINGS BANK

Address 819 TEANECK ROAD, TEANECK, NJ 07666

Loan Originator Organization NMLSR ID# 630150 State License ID# _____

Loan Originator Name _____

Loan Originator NMLSR ID# _____ State License ID# _____

Email _____ Phone (201) 862 - 0660

Signature _____ Date *(mm/dd/yyyy)* ____ / ____ / _____

*To be completed by the **Lender:***
Lender Loan No./Universal Loan Identifier _____ Agency Case No. _____

Uniform Residential Loan Application — Additional Borrower

Verify and complete the information on this application as directed by your Lender.

Section 1: Borrower Information.

This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name *(First, Middle, Last, Suffix)*

Alternate Names – *List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix)*

Social Security Number ____ – ____ – ____
(or Individual Taxpayer Identification Number)

Date of Birth *(mm/dd/yyyy)*
____/____/____

Citizenship
- ◯ U.S. Citizen
- ◯ Permanent Resident Alien
- ◯ Non-Permanent Resident Alien

Type of Credit
- ◯ I am applying for **individual credit.**
- ◯ I am applying for **joint credit.** Total Number of Borrowers: __
  Each Borrower intends to apply for joint credit. **Your initials:** _____

List Name(s) of Other Borrower(s) Applying for this Loan
(First, Middle, Last, Suffix) – Use a separator between names

Marital Status
- ◯ Married
- ◯ Separated
- ◯ Unmarried
  (Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)

Dependents *(not listed by another Borrower)*
Number __
Ages _____

Contact Information
Home Phone (____) ____ – _____
Cell Phone (____) ____ – _____
Work Phone (____) ____ – _____ **Ext.** _____
Email _____

Current Address
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Current Address? ___ Years ___ Months **Housing** ◯ No primary housing expense ◯ Own ◯ Rent ($ _____ /month)

If at Current Address for LESS than 2 years, list Former Address ☐ **Does not apply**
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____
How Long at Former Address? ___ Years ___ Months **Housing** ◯ No primary housing expense ◯ Own ◯ Rent ($ _____ /month)

Mailing Address – *if different from Current Address* ☐ **Does not apply**
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

1b. Current Employment/Self-Employment and Income

☐ **Does not apply**

Employer or Business Name _____ Phone (____) ____ – _____
Street _____ Unit # _____
City _____ State _____ ZIP _____ Country _____

Position or Title _____
Start Date ____/____/____ *(mm/dd/yyyy)*
How long in this line of work? ___ Years ___ Months

Check if this statement applies:
☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed**
- ◯ I have an ownership share of less than 25%.
- ◯ I have an ownership share of 25% or more. $ _____

Monthly Income (or Loss)

Gross Monthly Income

Base	$ _____	/month
Overtime	$ _____	/month
Bonus	$ _____	/month
Commission	$ _____	/month
Military Entitlements	$ _____	/month
Other	$ _____	/month
TOTAL	**$ 0.00**	**/month**

1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income

☐ **Does not apply**

Employer or Business Name _____ Phone (____) ____ - _____

Street _____ Unit # _____

City _____ State _____ ZIP _____ Country _____

Position or Title _____

Start Date ____ / ____ / _____ *(mm/dd/yyyy)*

How long in this line of work? ___ Years ___ Months

Check if this statement applies:

☐ I am employed by a family member, property seller, real estate agent, or other party to the transaction.

☐ **Check if you are the Business Owner or Self-Employed**

○ I have an ownership share of less than 25%.

○ I have an ownership share of 25% or more. $ _____

Monthly Income (or Loss)

Gross Monthly Income

Base	$ _____	/month
Overtime	$ _____	/month
Bonus	$ _____	/month
Commission	$ _____	/month
Military Entitlements	$ _____	/month
Other	$ _____	/month
TOTAL $	**0.00**	**/month**

1d. IF APPLICABLE, Complete Information for Previous Employment/Self-Employment and Income

☐ **Does not apply**

Provide at least 2 years of current and previous employment and income.

Employer or Business Name _____

Street _____ Unit # _____

City _____ State _____ ZIP _____ Country _____

Position or Title _____

Start Date ____ / ____ / _____ *(mm/dd/yyyy)*

End Date ____ / ____ / _____ *(mm/dd/yyyy)*

☐ **Check if you were the Business Owner or Self-Employed**

Previous Gross Monthly Income $ _____ **/month**

1e. Income from Other Sources

☐ **Does not apply**

Include income from other sources below. Under Income Source, choose from the sources listed here:

- Alimony
- Automobile Allowance
- Boarder Income
- Capital Gains
- Child Support
- Disability
- Foster Care
- Housing or Parsonage
- Interest and Dividends
- Mortgage Credit Certificate
- Mortgage Differential Payments
- Notes Receivable
- Public Assistance
- Retirement *(e.g., Pension, IRA)*
- Royalty Payments
- Separate Maintenance
- Social Security
- Trust
- Unemployment Benefits
- VA Compensation
- Other

NOTE: *Reveal alimony, child support, separate maintenance, or other income ONLY IF you want it considered in determining your qualification for this loan.*

Income Source – *use list above*	**Monthly Income**
	$
	$
	$
Provide TOTAL Amount Here	**$ 0.00**

Section 2: Financial Information — Assets and Liabilities.

My information for Section 2 is listed on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Section 3: Financial Information — Real Estate.

My information for Section 3 is listed on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Section 4: Loan and Property Information.

My information for Section 4 is listed on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Section 5: Declarations. This section asks you specific questions about the property, your funding, and your past financial history.

5a. About this Property and Your Money for this Loan

A. Will you occupy the property as your primary residence?	○ NO ○ YES
If YES, have you had an ownership interest in another property in the last three years?	○ NO ○ YES
If YES, complete (1) and (2) below:	
(1) What type of property did you own: primary residence (PR), FHA secondary residence (SR), second home (SH), or investment property (IP)?	_____
(2) How did you hold title to the property: by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	_____
B. If this is a Purchase Transaction: Do you have a family relationship or business affiliation with the seller of the property?	○ NO ○ YES
C. Are you borrowing any money for this real estate transaction *(e.g., money for your closing costs or down payment)* or obtaining any money from another party, such as the seller or realtor, that you have not disclosed on this loan application?	○ NO ○ YES
If YES, what is the amount of this money?	$_____
D. 1. Have you or will you be applying for a mortgage loan on another property (not the property securing this loan) on or before closing this transaction that is not disclosed on this loan application?	○ NO ○ YES
2. Have you or will you be applying for any new credit *(e.g., installment loan, credit card, etc.)* on or before closing this loan that is not disclosed on this application?	○ NO ○ YES
E. Will this property be subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid through your property taxes *(e.g., the Property Assessed Clean Energy Program)*?	○ NO ○ YES

5b. About Your Finances

F. Are you a co-signer or guarantor on any debt or loan that is not disclosed on this application?	○ NO ○ YES
G. Are there any outstanding judgments against you?	○ NO ○ YES
H. Are you currently delinquent or in default on a Federal debt?	○ NO ○ YES
I. Are you a party to a lawsuit in which you potentially have any personal financial liability?	○ NO ○ YES
J. Have you conveyed title to any property in lieu of foreclosure in the past 7 years?	○ NO ○ YES
K. Within the past 7 years, have you completed a pre-foreclosure sale or short sale, whereby the property was sold to a third party and the Lender agreed to accept less than the outstanding mortgage balance due?	○ NO ○ YES
L. Have you had property foreclosed upon in the last 7 years?	○ NO ○ YES
M. Have you declared bankruptcy within the past 7 years? If YES, identify the type(s) of bankruptcy: ☐ Chapter 7 ☐ Chapter 11 ☐ Chapter 12 ☐ Chapter 13	○ NO ○ YES

Section 6: Acknowledgements and Agreements.

My signature for Section 6 is on the Uniform Residential Loan Application with _____
(insert name of Borrower)

Section 7: Military Service. This section asks questions about your (or your deceased spouse's) military service.

Military Service of Borrower

Military Service – Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces? ○ **NO** ○ **YES**

If YES, check all that apply:
- ☐ Currently serving on active duty with projected expiration date of service/tour ___/___/_____ *(mm/dd/yyyy)*
- ☐ Currently retired, discharged, or separated from service
- ☐ Only period of service was as a non-activated member of the Reserve or National Guard
- ☐ Surviving spouse

Section 8: Demographic Information. This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: *Check one or more*

☐ Hispanic or Latino
- ☐ Mexican ☐ Puerto Rican ☐ Cuban
- ☐ Other Hispanic or Latino – *Print origin:* _____

  For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.

☐ Not Hispanic or Latino

☐ I do not wish to provide this information

Sex

☐ Female

☐ Male

☐ I do not wish to provide this information

Race: *Check one or more*

☐ American Indian or Alaska Native – *Print name of enrolled or principal tribe* : _____

☐ Asian
- ☐ Asian Indian ☐ Chinese ☐ Filipino
- ☐ Japanese ☐ Korean ☐ Vietnamese
- ☐ Other Asian – *Print race:* _____

  For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.

☐ Black or African American

☐ Native Hawaiian or Other Pacific Islander
- ☐ Native Hawaiian ☐ Guamanian or Chamorro ☐ Samoan
- ☐ Other Pacific Islander – *Print race:* _____

  For example: Fijian, Tongan, and so on.

☐ White

☐ I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

Was the ethnicity of the Borrower collected on the basis of visual observation or surname? ○ NO ○ YES

Was the sex of the Borrower collected on the basis of visual observation or surname? ○ NO ○ YES

Was the race of the Borrower collected on the basis of visual observation or surname? ○ NO ○ YES

The Demographic Information was provided through:

○ Face-to-Face Interview *(includes Electronic Media w/ Video Component)* ○ Telephone Interview ○ Fax or Mail ○ Email or Internet

Section 9: Loan Originator Information. To be completed by your **Loan Originator**.

Loan Originator Information

Loan Originator Organization Name BOGOTA SAVINGS BANK

Address 819 TEANECK ROAD, TEANECK, NJ 07666

Loan Originator Organization NMLSR ID# 630150 State License ID# _____

Loan Originator Name _____

Loan Originator NMLSR ID# _____ State License ID# _____

Email _____ Phone (201) 862 – 0660

Signature _____ Date *(mm/dd/yyyy)* ____ / ____ / _____

BOGOTA SAVINGS BANK

Mortgage Loan Application

Additional Borrower Contact, Attorney and Appraisal Information Form
NOTE: Application will not be processed unless ALL REQUIRED information is complete.

ADDITIONAL BORROWER CONTACT INFORMATION:

Applicant:

Cell Phone #: _____ Email Address: _____

*Employment Supervisor/Human Resources Contact Name **(REQUIRED)**: _____Phone Number:_____

***if self-employed, please provide CPA contact information for verification**

Co-Applicant:

Cell Phone #: _____ Email Address: _____

*Employment Supervisor/Human Resources Contact Name **(REQUIRED)**: _____Phone Number:_____

***if self-employed, please provide CPA contact information for verification**

YOUR ATTORNEY OR TITLE COMPANY: (REQUIRED)

Name: _____

Firm: _____

Address: _____

Address: _____

Telephone #: _____ Fax #: _____

Attorney Email Address: _____

PURCHASE ONLY: Sellers Attorney And/Or Real Estate Broker Holding The Good-faith Deposit:

Agency/Seller Attorney Name: _____

Name of Agent/Firm: _____

Address: _____

Address: _____

Telephone #: _____ Date of Purchase Contract: _____

Names (s) of Seller/Builder: _____

***IF CURRENTLY RENTING: NAME, ADDRESS & TELEPHONE # OF THE LANDLORD:**

Name: _____

Address: _____

Address: _____

Telephone #: _____

CONTACT FOR APPRAISER ACCESS TO PREMISES:

Contact Name: _____

Telephone #: _____

Best Time To Contact: _____

BOGOTA SAVINGS BANK
Mortgage Loan Application

Subject Property Information

NOTE: Application will not be processed unless ALL REQUIRED information is complete.

Property Address: _____

_____

Annual Real Estate Taxes: $ _____

Annual Home Owners Insurance Premium: $ _____

Condominium or Townhouse Monthly Dues: $ _____

Property Type: Single Family ____ 2-Family ____ 3-4 Family ____ Condo ____ Townhouse ____

BLOCK: _____ **LOT: _____** Lot Size: _____ Age of Home: _____

Please select all that apply:

Gas Heat ____ Oil Tank ____ *Where Located:* ____ Underground ____ Basement

Public Sewer ____ Septic System ____

Public Water ____ Well Water ____

Flood Zone ____ YES ____ NO

Current Owner(s) Name(s): _____

Name of Condominium or Townhouse Association Name:_____

Bogota Savings Bank E-Sign Disclosure

This Bogota Savings Bank E-Sign Disclosure ("Disclosure") applies to the loan that you have requested. The words "we," "us," and "our" means Bogota Savings Bank and the words "you" and "your" means you, the individual(s) who have applied for the loan.

As used in this Disclosure, "Communication" means any authorization, agreement, disclosure, notice, or other information related to your loan request, including but not limited to information that we are required by law or regulations (such as Reg. B, Reg. X and Reg. Z) to provide to you in writing. The Disclosures also include any other information, agreements, disclosures and notices that we wish to provide you in connection with the Loan in an electronic form, even if the information, agreements, disclosures and notices are not required by these laws, rules, regulations or ordinances.

The Scope of Communications to Be Provided in Electronic Form

When you agree to these terms with respect to the loan, you agree that we may provide you with any Communications relating to your loan request in electronic format, and that we may discontinue sending paper communications to you, unless and until you withdraw your consent as described below.

Your Consent applies only to your electronic receipt of Disclosures in connection with the origination, closing and servicing of the Loan. Your Consent does not apply to other transactions that you may wish to enter into with us

Method of Providing Communications to You in Electronic Form

All Communications that we may provide to you in electronic form will be provided via e-mail at the e-mail address you specify at the time of application.

How to Withdraw Consent

You may withdraw your consent to receive Communications in electronic form by contacting us at 201-862-0660. We may treat your provision of an invalid e-mail address or the subsequent malfunction of a previously valid address as a withdrawal of your consent to receive electronic communications. We will not impose any fee to process the withdrawal of your consent to receive electronic Communications. Any withdrawal of your consent to receive electronic Communications will be effective only after we have a reasonable period of time to process your withdrawal.

How to Update Your Records

It is your responsibility to provide us with true, accurate and complete e-mail address, contact, and other information related to your loan request, and to maintain and update promptly any changes in this information. You can update such information (such as your e-mail address) by contacting us at 201-862-0660.

Hardware and Software Requirements

In order to access, view, and retain electronic Communications that we make available to you, you must have:

- Valid E-mail Address;
- Internet browser that supports 128-bit encryption;
- Adobe Acrobat Reader 8.0 or higher;
- An e-mail account with Internet service provider and e-mail software in order to participate in our electronic Communications programs;
- A personal computer, operating system and telecommunications connections to the Internet capable of receiving, accessing, displaying, and either printing or storing, communications received in electronic form from us via a plain text-formatted e-mail.

Requesting Paper Copies

You can obtain a paper copy of an electronic Communication by printing it yourself or by requesting that we mail you a paper copy. To request a paper copy, contact us by telephone at 201-862-0660. We reserve the right, but assume no obligation, to provide a paper (instead of electronic) copy of any Communication that you have authorized us to provide electronically.

Communications in Writing

All Communications in either electronic or paper format from us to you will be considered "in writing." You should print or download for your records a copy of your Early Disclosures, this Disclosure, and any other Communication that is important to you.

Termination/Changes

We reserve the right, in our sole discretion, to discontinue the provision of your electronic communications, or to terminate or change the terms and conditions on which we provide electronic communications. We will provide you with notice of any such termination or change as required by law.

Consent

By signing this disclosure you are giving c**onsent to receiving disclosures and documents via e-mail to the terms and conditions described** in the body of this document.

Applicant Email Address: _____

Co-Applicant Email Address: _____

_____ _____

Applicant Signature Co-Applicant Signature

LIST OF CREDITORS TO BE PAID

I/We request that the following loans, credit cards, and bills be paid by Bogota Savings Bank with the proceeds of the loan:

CREDITOR	ACCOUNT NUMBER	AMOUNT

_____ Applicant Signature

_____ Applicant Signature

_____ Date

Bogota Savings Bank Small enough to know you, Strong enough to serve you well!	**Mortgage Loan Originator Information Page**

The Nationwide Mortgage Licensing System and Registry (NMLS) hosts a website called NMLS Consumer Access. The NMLS Consumer Access is a searchable database that makes it easy for the public to access information concerning the institution and their Mortgage Loan Originator's professional background.

Bogota Savings Bank and each of our Loan Officers have a unique identification number that is registered with the NMLS (see below). If you would like more information regarding our Institution or your specific Lending Representative, please visit www.nmlsconsumeraccess.org.

Bogota Savings Bank – NMLS ID # 630150

Mortgage Department Phone # 201-862-0660

Toll Free # 866-907-2024

Brian R. Kohles – NMLS ID # 641643

Senior Vice President

Residential Loan Manager

Jim Brown – NMLS ID # 203935

Senior Vice President

Loan Officer

Rose E. Alvarado – NMLS ID # 974392

VP, Internal Residential Loan Manager

Loan Officer

Melissa Haynie – NMLS ID # 1682667

VP, Residential Lending

Loan Officer

Jacqueline Smith – NMLS ID #1497896

Business Development Officer

Loan Officer

Leonia Hardial – NMLS ID # 1731958

Loan Officer

Attachment A

FEDERAL RESERVE BOARD CONSUMER PROTECTION RESOURCES

Key Questions to Ask About Your Mortgage

When you are shopping for a loan, ask each lender the questions below. Some loans have risky features that could make it difficult for you to make payments in the future. Make sure you understand the terms of your loan. If you are not comfortable with the risks, ask your lender about other loan products. **The only way to make sure you get the best possible loan terms is to talk to several lenders.**

Shop. Compare. Negotiate.

For more information about risky loan features, read *Shop Wisely: Understanding Your Mortgage Choices*, available at: www.federalreserve.gov.

1

Can my interest rate increase?
If you have an adjustable rate mortgage (ARM), your interest rate can go up or down after a short period. This means that your monthly payments could increase.

2

Can my monthly payment increase?
With some loans, your monthly payment could increase after a period of time, often by hundreds of dollars. This increase could be because you have a lower introductory interest rate, your property taxes or insurance premiums increase, or because in the beginning your monthly payment only covers the interest on the loan, and not the principal owed.

3

Will my monthly payments reduce my loan balance?
Some loans let you pay only the interest on your loan each month. These payments do not pay down the amount you borrowed. As a result, if you have this type of loan, you may not build any equity in your home.

4

Even if I make my monthly payments, can my loan balance increase?
Some loans let you choose to pay even less than the interest owed each month. The unpaid interest is added to your loan balance and increases the total amount that you owe. This could cause you to lose equity in your home over time.

5

Could I owe a prepayment penalty?
Some loans charge you a large fee if you pay off your loan, refinance it, or sell your home within the first few years of the loan. This penalty fee could be thousands of dollars.

6

Will I owe a balloon payment?
Some loans require a very large payment at the end of the loan—sometimes tens of thousands of dollars. If interest rates go up or if the value of your property drops, you may not be able to refinance your loan before you have to make this large payment.

7

Will I have to document my employment, income, and assets to get this loan?
Sometimes a lender will make a loan without requiring you to show that you are employed and have the income or assets to repay the loan. These no-documentation (“no-doc”) or low-documentation (“low-doc”) loans usually have higher interest rates or higher fees than other loans.

Your home loan toolkit

A step-by-step guide

cfpb
Consumer Financial
Protection Bureau

How can this toolkit help you?

Buying a home is exciting and, let's face it, complicated. This booklet is a toolkit that can help you make better choices along your path to owning a home.

After you finish this toolkit:

- You'll know the most important steps you need to take to **get the best mortgage** for your situation ..... Section 1: Page 3
- You'll better **understand your closing costs** and what it takes to buy a home ..... Section 2: Page 16
- You'll see a few ways to **be a successful homeowner** ..... Section 3: Page 24

How to use the toolkit:

The location symbol orients you to where you are in the home buying process.

The pencil tells you it is time to get out your pencil or pen to circle, check, or fill in numbers.

The magnifying glass highlights tips to help you research further to find important information.

The speech bubble shows you conversation starters for talking to others and gathering more facts.

About the CFPB

The Consumer Financial Protection Bureau is a federal agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Have a question about a common consumer financial product or problem? You can find answers by visiting consumerfinance.gov/askcfpb. Have an issue with a mortgage, student loan, or other financial product or service? You can submit a complaint to the CFPB. We'll forward your complaint to the company and work to get you a response. Turn to the back cover for details on how to submit a complaint or call us at (855) 411-2372.

This booklet was created to comply with federal law pursuant to 12 U.S.C. 2604, 12 CFR 1024.6, and 12 CFR 1026.19(g).

Choosing the best mortgage for you

You're starting to look for a mortgage or want to confirm you made a good decision.

To make the most of your mortgage, you need to decide what works for you and then shop around to find it. In this section, you'll find eight steps to get the job done right.

IN THIS SECTION

1. Define what affordable means to you
2. Understand your credit
3. Pick the mortgage type that works for you
4. Choose the right down payment for you
5. Understand the trade-off between points and interest rate
6. Shop with several lenders
7. Choose your mortgage
8. Avoid pitfalls and handle problems

1. Define what affordable means to you

Only you can decide how much you are comfortable paying for your housing each month. In most cases, your lender can consider only if you are able to repay your mortgage, not whether you will be comfortable repaying your loan. Based on your whole financial picture, think about whether you want to take on the mortgage payment plus the other costs of homeownership such as appliances, repairs, and maintenance.

THE TALK

Ask your spouse, a loved one, or friend about what affordable means to you:

"What's more important—a bigger home with a larger mortgage or more financial flexibility?"

"How much do we want to budget for all the monthly housing costs, including repairs, furniture, and new appliances?"

"What will a mortgage payment mean for other financial goals?"

KNOW YOUR NUMBERS

Calculate the home payment you can take on by filling in the worksheets below:

Think about what an affordable home loan looks like for you. These worksheets can help. First, estimate your total monthly home payment. Second, look at the percentage of your income that will go toward your monthly home payment. Third, look at how much money you will have available to spend on the rest of your monthly expenses.

Step 1. Estimate your total monthly home payment by adding up the items below

Your **total monthly home payment** is more than just your mortgage. There are more expenses that go along with owning your home. Start with estimates and adjust as you go.

	MONTHLY ESTIMATE
Principal and interest (P&I) Your principal and interest payment depends on your home loan amount, the interest rate, and the number of years it takes to repay the loan. **Principal** is the amount you pay each month to reduce the loan balance. **Interest** is the amount you pay each month to borrow money. Many principal and interest calculators are available online.	$
Mortgage insurance Mortgage insurance is often required for loans with less than a 20% down payment.	+ $
Property taxes The local assessor or auditor's office can help you estimate property taxes for your area. If you know the yearly amount, divide by 12 and write in the monthly amount.	+ $
Homeowner's insurance You can call one or more insurance agents to get an estimate for homes in your area. Ask if flood insurance is required.	+ $
Homeowner's association or condominium fees, if they apply Condominiums and other planned communities often require homeowner's association (HOA) fees.	+ $
My estimated total monthly home payment	= $

Step 2. Estimate the percentage of your income spent on your monthly home payment

Calculate the percentage of your total monthly income that goes toward your total monthly home payment each month. A mortgage lending rule of thumb is that **your total monthly home payment should be at or below 28% of your total monthly income before taxes**. Lenders may approve you for more or for less depending on your overall financial picture.

$	÷	$	× 100	=	%
My estimated total monthly home payment (from step 1)		My total monthly income *before* taxes			Percentage of my income going toward my monthly home payment

Step 3. Estimate what is left after subtracting your monthly debts

To determine whether you are comfortable with your total monthly home payment, figure out how much of your income is left after you pay for your housing plus your other monthly debts.

Total monthly income *after* taxes	$
My estimated total monthly home payment (from step 1)	
Monthly car payment(s)	– $
Monthly student loan payment(s)	– $
Monthly credit card payment(s)	– $
Other monthly payments, such as child support or alimony	– $
Total monthly income minus all debt payments This money must cover your utilities, groceries, child care, health insurance, repairs, and everything else. If this isn't enough, consider options such as buying a less expensive home or paying down debts.	= $

Step 4. Your choice

I am comfortable with a total monthly home payment of: $ _____

2. Understand your credit

Your credit, your credit scores, and how wisely you shop for a loan that best fits your needs have a significant impact on your mortgage interest rate and the fees you pay. To improve your credit and your chances of getting a better mortgage, get current on your payments and stay current. About 35% of your credit scores are based on whether or not you pay your bills on time. About 30% of your credit scores are based on how much debt you owe. That's why you may want to consider paying down some of your debts.

RESEARCH STARTER

Check out interest rates and make sure you're getting the credit you've earned.

- ☐ Get your credit report at annualcreditreport.com and check it for errors. If you find mistakes, submit a request to each of the credit bureaus asking them to fix the mistake. For more information about correcting errors on your credit report, visit consumerfinance.gov/askcfpb.
- ☐ For more on home loans and credit, visit consumerfinance.gov/owning-a-home.

NOW

- If your credit score is below 700, you will likely pay more for your mortgage.
- Most credit scoring models are built so you can shop for a mortgage within a certain period—generally between 14 days and 45 days—with little or no impact on your score. If you shop outside of this period, any change triggered by shopping should be minor—a small price to pay for saving money on a mortgage loan.

IN THE FUTURE

- If you work on improving your credit and wait to buy a home, you will likely save money. Some people who improve their credit save $50 or $100 on a typical monthly mortgage payment.
- An average consumer who adopts healthy credit habits, such as paying bills on time and paying down credit cards, could see a credit score improvement in three months or more.

YOUR CHOICE

Check one:

☐ I will go with the credit I have. **OR** ☐ I will wait a few months or more and work to improve my credit.

TIP

Be careful making any big purchases on credit before you close on your home. Even financing a new refrigerator could make it harder for you to get a mortgage.

TIP

Correcting errors on your credit report may raise your score in 30 days or less. It's a good idea to correct errors before you apply for a mortgage.

3. Pick the mortgage type—fixed or adjustable—that works for you

With a **fixed-rate mortgage**, your principal and interest payment stays the same for as long as you have your loan.

- Consider a fixed-rate mortgage if you want a predictable payment.
- You may be able to refinance later if interest rates fall or your credit or financial situation improves.

With an **adjustable-rate mortgage (ARM)**, your payment often starts out lower than with a fixed-rate loan, but your rate and payment could increase quickly. It is important to understand the trade-offs if you decide on an ARM.

- Your payment could increase a lot, often by hundreds of dollars a month.
- Make sure you are confident you know what your maximum payment could be and that you can afford it.

Planning to sell your home within a short period of time? That's one reason some people consider an ARM. But, you probably shouldn't count on being able to sell or refinance. Your financial situation could change. Home values may go down or interest rates may go up.

You can learn more about ARMs in the Consumer Handbook on Adjustable Rate Mortgages (files.consumerfinance.gov/f/201401_cfpb_booklet_charm.pdf) or by visiting consumerfinance.gov/owning-a-home.

TIP

Many borrowers with ARMs underestimate how much their interest rates can rise.

YOUR CHOICE
Check one:

☐ I prefer a fixed-rate mortgage. **OR** ☐ I prefer an adjustable-rate mortgage.

Check for risky loan features

Some loans are safer and more predictable than others. It is a good idea to make sure you are comfortable with the risks you are taking on when you buy your home. You can find out if you have certain types of risky loan features from the Loan Terms section on the first page of your Loan Estimate.

A **balloon payment** is a large payment you must make, usually at the end of your loan repayment period. Depending on the terms of your loan, the balloon payment could be as large as the entire balance on your mortgage.

A **prepayment penalty** is an amount you have to pay if you refinance or pay off your loan early. A prepayment penalty may apply even if you sell your home.

4. Choose the right down payment for you

A down payment is the amount you pay toward the home yourself. You put a percentage of the home's value down and borrow the rest through your mortgage loan.

YOUR CHOICE
Check one:

YOUR DOWN PAYMENT	WHAT THAT MEANS FOR YOU
☐ I will put down 20% or more.	A 20% or higher down payment likely provides the best rates and most options. However, think twice if the down payment drains all your savings.
☐ I will put down between 5% and 19%.	You probably have to pay higher interest rates or fees. Lenders most likely require **private mortgage insurance (PMI)**. PMI is an insurance policy that lets you make a lower down payment by insuring the lender against loss if you fail to pay your mortgage. Keep in mind when you hear about "no PMI" offers that doesn't mean zero cost. No PMI offers often have higher interest rates and may also require you to take out a second mortgage. Be sure you understand the details.
☐ I will make no down payment or a small one of less than 5%.	Low down payment programs are typically more expensive because they may require mortgage insurance or a higher interest rate. Look closely at your total fees, interest rate, and monthly payment when comparing options. Ask about loan programs such as: ▪ Conventional loans that may offer low down payment options. ▪ FHA, which offers a 3.5% down payment program. ▪ VA, which offers a zero down payment option for qualifying veterans. ▪ USDA, which offers a similar zero down payment program for eligible borrowers in rural areas.

The advantages of prepayment

Prepayment is when you make additional mortgage payments so you pay down your mortgage early. This reduces your overall cost of borrowing, and you may be able to cancel your private mortgage insurance early and stop paying the premium. Especially if your down payment is less than 20%, it may make sense to make additional payments to pay down your loan earlier.

TIP

Prepayment is your choice. You don't have to sign up for a program or pay a fee to set it up.

5. Understand the trade-off between points and interest rate

Points are a percentage of a loan amount. For example, when a loan officer talks about one point on a $100,000 loan, the loan officer is talking about one percent of the loan, which equals $1,000. Lenders offer different interest rates on loans with different points. There are three main choices you can make about points. You can decide you don't want to pay or receive points at all. This is called a zero point loan. You can pay points at closing to receive a lower interest rate. Or you can choose to have points paid to you (also called lender credits) and use them to cover some of your closing costs.

The example below shows the trade-off between points as part of your closing costs and interest rates. In the example, you borrow $180,000 and qualify for a 30-year fixed-rate loan at an interest rate of 5.0% with zero points. Rates currently available may be different than what is shown in this example.

COMPARE THREE SCENARIOS OF HOW POINTS AFFECT INTEREST RATE

RATE	**4.875%**	**5.0%**	**5.125%**
POINTS	**+0.375**	**0**	**-0.375**
YOUR SITUATION	You plan to keep your mortgage for a long time. You can afford to pay more cash at closing.	You are satisfied with the market rate without points in either direction.	You don't want to pay a lot of cash upfront and you can afford a larger mortgage payment.
YOU MAY CHOOSE	Pay points now and get a lower interest rate. This will save you money over the long run.	Zero points.	Pay a higher interest rate and get a lender credit toward some or all of your closing costs.
WHAT THAT MEANS	You might agree to pay $675 more in closing costs, in exchange for a lower rate of 4.875%. **Now:** You **pay** $675 **Over the life of the loan:** Pay $14 **less** each month	With no adjustments in either direction, it is easier to understand what you're paying and to compare prices.	You might agree to a higher rate of 5.125%, in exchange for $675 toward your closing costs. **Now:** You **get** $675 **Over the life of the loan:** Pay $14 **more** each month

6. Shop with several lenders

You've figured out what affordable means for you. You've reviewed your credit and the kind of mortgage and down payment that best fits your situation. Now is the time to start shopping seriously for a loan. The work you do here could save you thousands of dollars over the life of your mortgage.

TIP

A loan officer is not necessarily shopping on your behalf or providing you with the best fit or lowest cost loan.

TIP

It is illegal for a lender to pay a loan officer more to steer you into a higher cost loan.

GATHER FACTS AND COMPARE COSTS

- ☐ **Make a list of several lenders you will start with**
  Mortgages are typically offered by community banks, credit unions, mortgage brokers, online lenders, and large banks. These lenders have loan officers you can talk to about your situation.
- ☐ **Get the facts from the lenders on your list**
  Find out from the lenders what loan options they recommend for you, and the costs and benefits for each. For example, you might find a discount is offered for borrowers who have completed a home buyer education program.
- ☐ **Get at least three offers—in writing—so that you can compare them**
  Review the decisions you made on **pages 4 to 8** to determine the loan type, down payment, total monthly home payment and other features to shop for. Now ask at least three different lenders to give you a Loan Estimate, which is a standard form showing important facts about the loan. It should be sent to you within three days, and it shouldn't be expensive. Lenders can charge you only a small fee for getting your credit report—and some lenders provide the Loan Estimate without that fee.
- ☐ **Compare Total Loan Costs**
  Review your Loan Estimates and compare Total Loan Costs, which you can see under *Section D* at the bottom left of the second page of the Loan Estimate. Total Loan Costs include what your lender charges to make the loan, as well as costs for services such as appraisal and title. The third page of the Loan Estimate shows the Annual Percentage Rate (APR), which is a measure of your costs over the loan term expressed as a rate. Also shown on the third page is the Total Interest Percentage (TIP), which is the total amount of interest that you pay over the loan term as a percentage of your loan amount. **You can use APR and TIP to compare loan offers.**

RESEARCH STARTER

Loan costs can vary widely from lender to lender, so this is one place where a little research may help you save a lot of money. Here's how:

- ☐ Ask real estate and title professionals about average costs in your area.
- ☐ Learn more about loan costs, and get help comparing options, at consumerfinance.gov/owning-a-home.

THE TALK

Talking to different lenders helps you to know what options are available and to feel more in control. Here is one way to start the conversation:

"This mortgage is a big decision and I want to get it right. Another lender is offering me a different loan that may cost less. Let's talk about what the differences are and whether you may be able to offer me the best deal."

TRACK YOUR LOAN OFFERS

Fill in the blanks for these important factors:

	LOAN OFFER 1	LOAN OFFER 2	LOAN OFFER 3
Lender name			
Loan amount	$	$	$
Interest rate	%	%	%
	☐ Fixed ☐ Adjustable	☐ Fixed ☐ Adjustable	☐ Fixed ☐ Adjustable
Monthly principal and interest	$	$	$
Monthly mortgage insurance	$	$	$
Total Loan Costs *(See section D on the second page of your Loan Estimate.)*	$	$	$

My best loan offer is: _____

7. Choose your mortgage

You've done a lot of hard work to get this far! Now it is time to make your call.

CONFIRM YOUR DECISION
Check the box if you agree with the statement:

- ☐ I can repay this loan.
- ☐ I am comfortable with my monthly payment.
- ☐ I shopped enough to know this is a good deal for me.
- ☐ There are no risky features such as a balloon payment or prepayment penalty I can't handle down the road.
- ☐ I know whether my principal and interest payment will increase in the future.

Still need advice? The U.S. Department of Housing and Urban Development (HUD) sponsors housing counseling agencies throughout the country to provide free or low-cost advice. To find a HUD-approved housing counselor visit consumerfinance.gov/find-a-housing-counselor or call HUD's interactive voice system at (800) 569-4287.

Intent to proceed

When you receive a Loan Estimate, the lender has not yet approved or denied your loan. Up to this point, they are showing you what they expect to offer if you decide to move forward with your application. You have not committed to this lender. In fact, you are not committed to any lender before you have signed final closing documents.

Once you have found your best mortgage, the next step is to tell the loan officer you want to proceed with that mortgage application. This is called expressing your **intent to proceed**. Lenders have to wait until you express your intent to proceed before they require you to pay an application fee, appraisal fee, or most other fees.

Rate lock

Your Loan Estimate may show a rate that has been "locked" or a rate that is "floating," which means it can go up or down. Mortgage interest rates change daily, sometimes hourly. A **rate lock** sets your interest rate for a period of time. Rate locks are typically available for 30, 45, or 60 days, and sometimes longer.

The interest rate on your Loan Estimate is not a guarantee. If your rate is floating and it is later locked, your interest rate will be set at that later time. Also, if there are changes in your application—including your loan amount, credit score, or verified income—your rate and terms will probably change too. In those situations, the lender gives you a revised Loan Estimate.

There can be a downside to a rate lock. It may be expensive to extend if your transaction needs more time. And, a rate lock may lock you out of better market pricing if rates fall.

THE TALK

Rate lock policies vary by lender. Choosing to lock or float your rate can make an important difference in your monthly payment. To avoid surprises, ask:

"What does it mean if I lock my rate today?"

"What rate lock time frame does this Loan Estimate provide?"

"Is a shorter or longer rate lock available, and at what cost?"

"What if my closing is delayed and the rate lock expires?"

"If I lock my rate, are there any conditions under which my rate could still change?"

8. Avoid pitfalls

WHAT NOT TO DO	WHY?
Don't sign documents where important details are left blank or documents you don't understand.	You are agreeing to repay a substantial amount of money over an extended period of time. Make sure you know what you are getting into and protect yourself from fraud.
Don't assume you are on your own.	HUD-approved housing counselors can help you navigate the process and find programs available to help first-time homebuyers. You can find a HUD-approved housing counselor in your area at consumerfinance.gov/find-a-housing-counselor or call HUD's interactive voice system at (800) 569-4287.
Don't take on more mortgage than you want or can afford.	Make certain that you want the loan that you are requesting and that you are in a position to live up to your end of the bargain.
Don't count on refinancing, and don't take out a loan if you already know you will have to change it later.	If you are not comfortable with the loan offered to you, ask your lender if there is another option that works for you. Keep looking until you find the right loan for your situation.
Don't fudge numbers or documents.	You are responsible for an accurate and truthful application. Be upfront about your situation. Mortgage fraud is a serious offense.
Don't hide important financial information.	Hiding negative information may delay or derail your loan application.

Handle problems

WHAT HAPPENED	WHAT TO DO ABOUT IT
I have experienced a problem with my loan application or how my loan officer is treating me.	Ask to talk to a supervisor. It may be a good idea to talk to the loan officer first, and if you are not satisfied, ask to speak with a supervisor.
I think I was unlawfully discriminated against when I applied for a loan or when I tried to buy a home.	The Fair Housing Act and Equal Credit Opportunity Act prohibit housing and credit discrimination. If you think you have been discriminated against during any part of the mortgage process, you can submit a complaint and describe what happened. To do so, you can call the Consumer Financial Protection Bureau at (855) 411-2372 or visit consumerfinance.gov/complaint. Submit a complaint to the U.S. Department of Housing and Urban Development (HUD) by calling (800) 669-9777, TTY (800) 927-9275. Or, file a complaint online at HUD.gov. You can find more information about your rights and how to submit a complaint with the CFPB at consumerfinance.gov/fair-lending.
I have a complaint.	Submit a complaint to the Consumer Financial Protection Bureau if you have problems at any stage of the mortgage application or closing process, or later if you have problems making payments or become unable to pay. You can call (855) 411-2372 or visit consumerfinance.gov/complaint.
I think I may have been the victim of a predatory lender or a loan fraud.	Don't believe anyone who tells you they are your "only chance to get a loan," or that you must "act fast." Learn the warning signs of predatory lending and protect yourself. Find more information at portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/OHC_PREDLEND/OHC_LOANFRAUD. You could learn more about your loan officer at nmlsconsumeraccess.org.

Your closing

You've chosen a mortgage. Now it's time to select and work with your closing agent.

Once you've applied for a mortgage, you may feel like you're done. But mortgages are complicated and you still have choices to make.

IN THIS SECTION

1. Shop for mortgage closing services
2. Review your revised Loan Estimate
3. Understand and use your Closing Disclosure

1. Shop for mortgage closing services

Once you've decided to move forward with a lender based on the Loan Estimate, you are ready to shop for the **closing agent** who gathers all the legal documents, closes the loan, and handles the money involved in your purchase. After you apply for a loan, your lender gives you a list of companies that provide closing services. You may want to use one of the companies on the list. Or, you may be able to choose companies that are not on the list if your lender agrees to work with your choice. The seller cannot require you to buy a title insurance policy from a particular title company.

TIP

Settlement services may feel like a drop in the bucket compared to the cost of the home. But in some states borrowers who shop around may save hundreds of dollars.

Closing agent

In most of the country, a settlement agent does your closing. In other states, particularly several states in the West, the person is known as an escrow agent. And in some states, particularly in the Northeast and South, an attorney may be required.

RESEARCH STARTER

When you compare closing agents, look at both cost and customer service.

- ☐ Ask your real estate professional and your friends. These people may know companies they would recommend. Be sure to ask how that company handled problems and if they have a good reputation.

- ☐ Review the list of companies your lender gave you. Select a few companies on the list and ask for references from people who recently bought a home. Ask those people how the company handled problems that came up during the transaction.

Title insurance

When you purchase your home, you receive a document most often called a deed, which shows the seller transferred their legal ownership, or "title," to the home to you. **Title insurance** can provide protection if someone later sues and says they have a claim against the home. Common claims come from a previous owner's failure to pay taxes or from contractors who say they were not paid for work done on the home before you purchased it.

Most lenders require a **Lender's Title Insurance** policy, which protects the amount they lent. You may want to buy an **Owner's Title Insurance** policy, which protects your financial investment in the home. The Loan Estimate you receive lists the Owner's Title Insurance policy as optional if your lender does not require the policy as a condition of the loan.

Depending on the state where you are buying your home, your title insurance company may give you an itemized list of fees at closing. This itemized list may be required under state law and may be different from what you see on your Loan Estimate or Closing Disclosure. That does not mean you are being charged more. If you add up all the title-related costs your title insurance company gives you, it should match the totals of all the title-related costs you see on your Loan Estimate or Closing Disclosure. When comparing costs for title insurance, make sure to compare the bottom line total.

Home inspector and home appraiser

When you are considering buying a home, it is smart to check it out carefully to see if it is in good condition. The person who does this for you is called a **home inspector**. The inspector works for you and should tell you whether the home you want to buy is in good condition and whether you are buying a "money pit" of expensive repairs. Get your inspection before you are finally committed to buy the home.

A home inspector is different from a **home appraiser**. The appraiser is an independent professional whose job is to give the lender an estimate of the home's market value. You are entitled to a copy of the appraisal prior to your closing. This allows you to see how the price you agreed to pay compares to similar and recent property sales in your area.

2. Review your revised Loan Estimate

When important information changes, your lender is required to give you a new Loan Estimate that shows your new loan offer.

It is illegal for a lender to quote you low fees and costs for its services on your Loan Estimate and then surprise you with much higher costs in a revised Loan Estimate or Closing Disclosure. However, a lender may change the fees it quotes you for its services if the facts on your application were wrong or changed, you asked for a change, your lender found you did not qualify for the original loan offer, or your Loan Estimate expired.

Here are common reasons why your Loan Estimate might change:

- You decided to change loan programs or the amount of your down payment.
- The appraisal on the home you want to buy came in higher or lower than expected.
- You took out a new loan or missed a payment and that has changed your credit.
- Your lender could not document your overtime, bonus, or other income.

THE TALK

If your Loan Estimate is revised you should look it over to see what changed. Ask your lender:

"Can you explain why I received a new Loan Estimate?"

"How is my loan transaction different from what I was originally expecting?"

"How does this change my loan amount, interest rate, monthly payment, cash to close, and other loan features?"

3. Understand and use your Closing Disclosure

You've chosen a home you want to buy and your offer has been accepted. You've also applied for and been approved for a mortgage. Now you are ready to take legal possession of the home and promise to repay your loan.

At least three days before your closing, you should get your official Closing Disclosure, which is a five-page document that gives you more details about your loan, its key terms, and how much you are paying in fees and other costs to get your mortgage and buy your home.

Many of the costs you pay at closing are set by the decisions you made when you were shopping for a mortgage. Charges shown under "services you can shop for" may increase at closing, but generally by no more than 10% of the costs listed on your final Loan Estimate.

The Closing Disclosure breaks down your closing costs into two big categories:

YOUR LOAN COSTS

- The lender's Origination Costs to make or "originate" the loan, along with application fees and fees to underwrite your loan. Underwriting is the lender's term for making sure your credit and financial information is accurate and you meet the lender's requirements for a loan.
- Discount points—that is, additional money you pay up front to reduce your interest rate.
- Services you shopped for, such as your closing or settlement agent and related title costs.
- Services your lender requires for your loan. These include appraisals and credit reports.

OTHER COSTS

- Property taxes.
- Homeowner's insurance premiums. You can shop around for homeowner's insurance from your current insurance company, or many others, until you find the combination of premium, coverage, and customer service that fits your situation. Your lender will ask you for proof you have an insurance policy on your new home.
- Any portion of your total mortgage payment you must make before your first full payment is due.
- Flood insurance, if required.

RESEARCH STARTER

Get tips, a step-by-step checklist, and help with the rest of the documents you'll see at closing at consumerfinance.gov/owning-a-home.

What is your Closing Disclosure?

The five-page Closing Disclosure sums up the terms of your loan and what you pay at closing. You can easily compare the numbers to the Loan Estimate you received earlier. There should not be any significant changes other than those you have already agreed to.

Take out your own Closing Disclosure, or review the example here. Double-check that you clearly understand what you'll be expected to pay—over the life of your loan and at closing.

ON PAGE 1 OF 5

Loan terms
Review your monthly payment. Part of it goes to repay what you borrowed (and may build equity in your new home), and part of it goes to pay interest (which doesn't build equity). Equity is the current market value of your home minus the amount you still owe on your mortgage.

Costs at Closing
Be prepared to bring the full "Cash to Close" amount with you to your closing. This amount includes your down payment and closing costs. The closing costs are itemized on the following pages.

Closing Disclosure

This form is a statement of final loan terms and closing costs. Compare this document with your Loan Estimate.

Closing Information		Transaction Information		Loan Information	
Date Issued	4/15/2013	**Borrower**	Michael Jones and Mary Stone 123 Anywhere Street Anytown, ST 12345	**Loan Term**	30 years
Closing Date	4/15/2013			**Purpose**	Purchase
Disbursement Date	4/15/2013			**Product**	Fixed Rate
Settlement Agent	Epsilon Title Co.	**Seller**	Steve Cole and Amy Doe 321 Somewhere Drive Anytown, ST 12345	**Loan Type**	☒ Conventional ☐ FHA ☐ VA ☐ _____
File #	12-3456			**Loan ID #**	123456789
Property	456 Somewhere Ave Anytown, ST 12345	**Lender**	Ficus Bank	**MIC #**	000654321
Sale Price	$180,000				

Loan Terms		**Can this amount increase after closing?**
Loan Amount	$162,000	**NO**
Interest Rate	3.875%	**NO**
Monthly Principal & Interest *See Projected Payments below for your Estimated Total Monthly Payment*	$761.78	**NO**
		Does the loan have these features?
Prepayment Penalty		**YES** • **As high as $3,240** if you pay off the loan during the first 2 years
Balloon Payment		**NO**

Projected Payments

Payment Calculation	**Years 1-7**	**Years 8-30**
Principal & Interest	$761.78	$761.78
Mortgage Insurance	+ 82.35	+ —
Estimated Escrow *Amount can increase over time*	+ 206.13	+ 206.13
Estimated Total Monthly Payment	$1,050.26	$967.91

		This estimate includes	**In escrow?**
Estimated Taxes, Insurance & Assessments *Amount can increase over time* *See page 4 for details*	$356.13 a month	☒ Property Taxes	**YES**
		☒ Homeowner's Insurance	**YES**
		☒ Other: Homeowner's Association Dues	**NO**
		See Escrow Account on page 4 for details. You must pay for other property costs separately.	

Costs at Closing

Closing Costs	$9,712.10	Includes $4,694.05 in Loan Costs + $5,018.05 in Other Costs – $0 in Lender Credits. *See page 2 for details.*
Cash to Close	$14,147.26	Includes Closing Costs. *See Calculating Cash to Close on page 3 for details.*

CLOSING DISCLOSURE PAGE 1 OF 5 • LOAN ID # 123456789

Closing Disclosure, page 1. The most important facts about your loan are on the first page.

ON PAGE 2 OF 5

Total Loan Costs
Origination charges are fees your lender charges to make your loan. Some closing costs are fees paid to the providers selected by your lender. Some are fees you pay to providers you chose on your own.

Prepaids
Homeowner's insurance is often paid in advance for the first full year. Also, some taxes and other fees need to be paid in advance.

Closing Cost Details

Loan Costs		Borrower-Paid At Closing	Borrower-Paid Before Closing	Seller-Paid At Closing	Seller-Paid Before Closing	Paid by Others
A. Origination Charges		**$1,802.00**				
01 0.25 % of Loan Amount (Points)		$405.00				
02 Application Fee		$300.00				
03 Underwriting Fee		$1,097.00				
04						
05						
06						
07						
08						
B. Services Borrower Did Not Shop For		**$236.55**				
01 Appraisal Fee	to John Smith Appraisers Inc.					$405.00
02 Credit Report Fee	to Information Inc.		$29.80			
03 Flood Determination Fee	to Info Co.	$20.00				
04 Flood Monitoring Fee	to Info Co.	$31.75				
05 Tax Monitoring Fee	to Info Co.	$75.00				
06 Tax Status Research Fee	to Info Co.	$80.00				
07						
08						
09						
10						
C. Services Borrower Did Shop For		**$2,655.50**				
01 Pest Inspection Fee	to Pests Co.	$120.50				
02 Survey Fee	to Surveys Co.	$85.00				
03 Title – Insurance Binder	to Epsilon Title Co.	$650.00				
04 Title – Lender's Title Insurance	to Epsilon Title Co.	$500.00				
05 Title – Settlement Agent Fee	to Epsilon Title Co.	$500.00				
06 Title – Title Search	to Epsilon Title Co.	$800.00				
07						
08						
D. TOTAL LOAN COSTS (Borrower-Paid)		**$4,694.05**				
Loan Costs Subtotals (A + B + C)		$4,664.25	$29.80			
Other Costs						
E. Taxes and Other Government Fees		**$85.00**				
01 Recording Fees	Deed: $40.00 Mortgage: $45.00	$85.00				
02 Transfer Tax	to Any State			$950.00		
F. Prepaids		**$2,120.80**				
01 Homeowner's Insurance Premium (12 mo.)	to Insurance Co.	$1,209.96				
02 Mortgage Insurance Premium (mo.)						
03 Prepaid Interest ($17.44 per day from 4/15/13 to 5/1/13)		$279.04				
04 Property Taxes (6 mo.)	to Any County USA	$631.80				
05						
G. Initial Escrow Payment at Closing		**$412.25**				
01 Homeowner's Insurance $100.83	per month for 2 mo.	$201.66				
02 Mortgage Insurance	per month for mo.					
03 Property Taxes $105.30	per month for 2 mo.	$210.60				
04						
05						
06						
07						
08 Aggregate Adjustment		– 0.01				
H. Other		**$2,400.00**				
01 HOA Capital Contribution	to HOA Acre Inc.	$500.00				
02 HOA Processing Fee	to HOA Acre Inc.	$150.00				
03 Home Inspection Fee	to Engineers Inc.	$750.00			$750.00	
04 Home Warranty Fee	to XYZ Warranty Inc.			$450.00		
05 Real Estate Commission	to Alpha Real Estate Broker			$5,700.00		
06 Real Estate Commission	to Omega Real Estate Broker			$5,700.00		
07 Title – Owner's Title Insurance (optional)	to Epsilon Title Co.	$1,000.00				
08						
I. TOTAL OTHER COSTS (Borrower-Paid)		**$5,018.05**				
Other Costs Subtotals (E + F + G + H)		$5,018.05				
J. TOTAL CLOSING COSTS (Borrower-Paid)		**$9,712.10**				
Closing Costs Subtotals (D + I)		$9,682.30	$29.80	$12,800.00	$750.00	$405.00
Lender Credits						

CLOSING DISCLOSURE PAGE 2 OF 5 • LOAN ID # 123456789

Details of your closing costs appear on page 2 of the Closing Disclosure.

Escrow

An escrow or impound account is a special account where monthly insurance and tax payments are held until they are paid out each year. You get a statement showing how much money your lender or mortgage servicer plans to require for your escrow or impound account.

You also get an annual analysis showing what happened to the money in your account. Your lender must follow federal rules to make sure they do not end up with a large surplus or shortage in your escrow or impound account.

USE YOUR CLOSING DISCLOSURE TO CONFIRM THE DETAILS OF YOUR LOAN

Circle one. If you answer no, turn to the page indicated for more information:

The interest rate is what I was expecting based on my Loan Estimate.	**YES / NO**	(see page 10)
I know whether I have a prepayment penalty or balloon payment.	**YES / NO**	(see page 7)
I know whether or not my payment changes in future years.	**YES / NO**	(see page 7)
I see whether I am paying points or receiving points at closing.	**YES / NO**	(see page 9)
I know whether I have an escrow account.	**YES / NO**	(see above)

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Calculating Cash to Close

Closing costs are only a part of the total cash you need to bring to closing.

Summaries of Transactions

The section at the bottom of the page sums up how the money flows among you, the lender, and the seller.

Calculating Cash to Close — **Use this table to see what has changed from your Loan Estimate.**

	Loan Estimate	Final	Did this change?
Total Closing Costs (J)	$8,054.00	$9,712.10	**YES** • See **Total Loan Costs (D)** and **Total Other Costs (I)**
Closing Costs Paid Before Closing	$0	– $29.80	**YES** • You paid these Closing Costs **before closing**
Closing Costs Financed (Paid from your Loan Amount)	$0	$0	**NO**
Down Payment/Funds from Borrower	$18,000.00	$18,000.00	**NO**
Deposit	– $10,000.00	– $10,000.00	**NO**
Funds for Borrower	$0	$0	**NO**
Seller Credits	$0	– $2,500.00	**YES** • See Seller Credits in **Section L**
Adjustments and Other Credits	$0	– $1,035.04	**YES** • See details in **Sections K and L**
Cash to Close	$16,054.00	$14,147.26	

Summaries of Transactions — **Use this table to see a summary of your transaction.**

BORROWER'S TRANSACTION

	K. Due from Borrower at Closing			**$189,762.30**
01	Sale Price of Property			$180,000.00
02	Sale Price of Any Personal Property Included in Sale			
03	Closing Costs Paid at Closing (J)			$9,682.30
04				
	Adjustments			
05				
06				
07				
	Adjustments for Items Paid by Seller in Advance			
08	City/Town Taxes		to	
09	County Taxes		to	
10	Assessments		to	
11	HOA Dues	4/15/13	to 4/30/13	$80.00
12				
13				
14				
15				
	L. Paid Already by or on Behalf of Borrower at Closing			**$175,615.04**
01	Deposit			$10,000.00
02	Loan Amount			$162,000.00
03	Existing Loan(s) Assumed or Taken Subject to			
04				
05	Seller Credit			$2,500.00

SELLER'S TRANSACTION

	M. Due to Seller at Closing			**$180,080.00**
01	Sale Price of Property			$180,000.00
02	Sale Price of Any Personal Property Included in Sale			
03				
04				
05				
06				
07				
08				
	Adjustments for Items Paid by Seller in Advance			
09	City/Town Taxes		to	
10	County Taxes		to	
11	Assessments		to	
12	HOA Dues	4/15/13	to 4/30/13	$80.00
13				
14				
15				
16				
	N. Due from Seller at Closing			**$115,665.04**
01	Excess Deposit			
02	Closing Costs Paid at Closing (J)			$12,800.00
03	Existing Loan(s) Assumed or Taken Subject to			
04	Payoff of First Mortgage Loan			$100,000.00
05	Payoff of Second Mortgage Loan			

ON PAGE 4 OF 5

Loan Disclosures

Page 4 breaks down what is and is not included in your escrow or impound account. Make sure you understand what is paid from your escrow account and what you are responsible for paying yourself.

Additional Information About This Loan

Loan Disclosures

Assumption
If you sell or transfer this property to another person, your lender
☐ will allow, under certain conditions, this person to assume this loan on the original terms.
☒ will not allow assumption of this loan on the original terms.

Demand Feature
Your loan
☐ has a demand feature, which permits your lender to require early repayment of the loan. You should review your note for details.
☒ does not have a demand feature.

Late Payment
If your payment is more than *15* days late, your lender will charge a late fee of *5% of the monthly principal and interest payment.*

Negative Amortization (Increase in Loan Amount)
Under your loan terms, you
☐ are scheduled to make monthly payments that do not pay all of the interest due that month. As a result, your loan amount will increase (negatively amortize), and your loan amount will likely become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
☐ may have monthly payments that do not pay all of the interest due that month. If you do, your loan amount will increase (negatively amortize), and, as a result, your loan amount may become larger than your original loan amount. Increases in your loan amount lower the equity you have in this property.
☒ do not have a negative amortization feature.

Partial Payments
Your lender
☒ may accept payments that are less than the full amount due (partial payments) and apply them to your loan.
☐ may hold them in a separate account until you pay the rest of the payment, and then apply the full payment to your loan.
☐ does not accept any partial payments.
If this loan is sold, your new lender may have a different policy.

Security Interest
You are granting a security interest in
456 Somewhere Ave., Anytown, ST 12345

You may lose this property if you do not make your payments or satisfy other obligations for this loan.

Escrow Account
For now, your loan
☒ will have an escrow account (also called an "impound" or "trust" account) to pay the property costs listed below. Without an escrow account, you would pay them directly, possibly in one or two large payments a year. Your lender may be liable for penalties and interest for failing to make a payment.

Escrow		
Escrowed Property Costs over Year 1	$2,473.56	Estimated total amount over year 1 for your escrowed property costs: *Homeowner's Insurance* *Property Taxes*
Non-Escrowed Property Costs over Year 1	$1,800.00	Estimated total amount over year 1 for your non-escrowed property costs: *Homeowner's Association Dues* You may have other property costs.
Initial Escrow Payment	$412.25	A cushion for the escrow account you pay at closing. See Section G on page 2.
Monthly Escrow Payment	$206.13	The amount included in your total monthly payment.

☐ will not have an escrow account because ☐ you declined it ☐ your lender does not offer one. You must directly pay your property costs, such as taxes and homeowner's insurance. Contact your lender to ask if your loan can have an escrow account.

No Escrow		
Estimated Property Costs over Year 1		Estimated total amount over year 1. You must pay these costs directly, possibly in one or two large payments a year.
Escrow Waiver Fee		

In the future,
Your property costs may change and, as a result, your escrow payment may change. You may be able to cancel your escrow account, but if you do, you must pay your property costs directly. If you fail to pay your property taxes, your state or local government may (1) impose fines and penalties or (2) place a tax lien on this property. If you fail to pay any of your property costs, your lender may (1) add the amounts to your loan balance, (2) add an escrow account to your loan, or (3) require you to pay for property insurance that the lender buys on your behalf, which likely would cost more and provide fewer benefits than what you could buy on your own.

CLOSING DISCLOSURE — PAGE 4 OF 5 • LOAN ID # 123456789

Top image: A summary of important financial information appears on page 3 of the Closing Disclosure.

Bottom image: More details of your loan appear on page 4 of your Closing Disclosure.

Loan Calculations

Total of Payments. Total you will have paid after you make all payments of principal, interest, mortgage insurance, and loan costs, as scheduled.	$285,803.36
Finance Charge. The dollar amount the loan will cost you.	$118,830.27
Amount Financed. The loan amount available after paying your upfront finance charge.	$162,000.00
Annual Percentage Rate (APR). Your costs over the loan term expressed as a rate. This is not your interest rate.	4.174%
Total Interest Percentage (TIP). The total amount of interest that you will pay over the loan term as a percentage of your loan amount.	69.46%

Questions? If you have questions about the loan terms or costs on this form, use the contact information below. To get more information or make a complaint, contact the Consumer Financial Protection Bureau at **www.consumerfinance.gov/mortgage-closing**

Other Disclosures

Appraisal
If the property was appraised for your loan, your lender is required to give you a copy at no additional cost at least 3 days before closing. If you have not yet received it, please contact your lender at the information listed below.

Contract Details
See your note and security instrument for information about
- what happens if you fail to make your payments,
- what is a default on the loan,
- situations in which your lender can require early repayment of the loan, and
- the rules for making payments before they are due.

Liability after Foreclosure
If your lender forecloses on this property and the foreclosure does not cover the amount of unpaid balance on this loan,
☒ state law may protect you from liability for the unpaid balance. If you refinance or take on any additional debt on this property, you may lose this protection and have to pay any debt remaining even after foreclosure. You may want to consult a lawyer for more information.
☐ state law does not protect you from liability for the unpaid balance.

Refinance
Refinancing this loan will depend on your future financial situation, the property value, and market conditions. You may not be able to refinance this loan.

Tax Deductions
If you borrow more than this property's fair market value is not deductible from your federal income taxes. You should consult a tax advisor for more information.

Contact Information

	Lender	Mortgage Broker	Real Estate Broker (B)	Real Estate Broker (S)	Settlement Agent
Name	Ficus Bank		Omega Real Estate Broker Inc.	Alpha Real Estate Broker Co.	Epsilon Title Co.
Address	4321 Random Blvd. Somecity, ST 12340		789 Local Lane Sometown, ST 12345	987 Suburb Ct. Someplace, ST 12340	123 Commerce Pl. Somecity, ST 12344
NMLS ID					
ST License ID			Z765416	Z61456	Z61616
Contact	Joe Smith		Samuel Green	Joseph Cain	Sarah Arnold
Contact NMLS ID	12345				
Contact ST License ID			P16415	P51461	PT1234
Email	joesmith@ ficusbank.com		sam@omegare.biz	joe@alphare.biz	sarah@ epsilontitle.com
Phone	123-456-7890		123-555-1717	321-555-7171	987-555-4321

Confirm Receipt

By signing, you are only confirming that you have received this form. You do not have to accept this loan because you have signed or received this form.

Applicant Signature Date Co-Applicant Signature Date

CLOSING DISCLOSURE PAGE 5 OF 5 • LOAN ID # 123456789

Loan calculations, disclosures, and contact information for your files are on page 5 of the Closing Disclosure.

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Finance Charge

In addition to paying back the amount you are borrowing, you pay a lot of interest over the life of the loan. This is why it is worthwhile to shop carefully for the best loan for your situation.

Annual Percentage Rate (APR)

Your APR is your total cost of credit stated as a rate. Your APR is generally higher than your interest rate, because the APR takes into consideration all the costs of your loan, over the full term of the loan.

If anything on the Closing Disclosure is not clear to you, ask your lender or settlement agent, "What does this mean?"

NOW

- Now you've spent time understanding what you need to do and what you need to pay, as a new homeowner.
- Now is the time to step back and feel sure you want to proceed with the loan.

IN THE FUTURE

- If you are not comfortable with your mortgage and your responsibility to make payments, you might not be able to keep your home.
- If you've made a careful decision about what you can afford and the mortgage you wanted, you will be able to balance owning your home and meeting your other financial goals.

Owning your home

Now you've closed on your mortgage and the home is yours.

Owning a home is exciting. And your home is also a large investment. Here's how to protect that investment.

IN THIS SECTION

1. Act fast if you get behind on your payments
2. Keep up with ongoing costs
3. Determine if you need flood insurance
4. Understand Home Equity Lines of Credit (HELOCs) and refinancing

1. Act fast if you get behind on your payments

If you fall behind on your mortgage, the company that accepts payments on your mortgage contacts you. This company is your **mortgage servicer**. Your servicer is required to let you know what options are available to avoid foreclosure. Talk to your mortgage servicer if you get into trouble, and call a housing counselor (see **page 12** for contact information). HUD-approved counselors are professionals who can help you, often at little or no charge to you.

Homeowners struggling to pay a mortgage should beware of scammers promising to lower mortgage payments. Only your mortgage servicer can evaluate you for a loan modification. If you suspect a scam you can call (855) 411-2372 or visit consumerfinance.gov/complaint.

2. Keep up with ongoing costs

Your mortgage payment is just one part of what it costs to live in your new home. Your escrow account holds your monthly taxes and homeowner's insurance payments—but if you have no escrow account, you need to keep up with these on your own. Your home needs maintenance and repairs, so budget and save for these too.

3. Determine if you need flood insurance

Flooding causes more than $8 billion in damages in the United States in an average year. You can protect your home and its contents from flood damage. Depending on your property location, your home is considered either at high-risk or at moderate-to-low risk for a flood. Your insurance premium varies accordingly. You can find out more about flood insurance at FloodSmart.gov. Private flood insurance could also be available.

Although you may not be required to maintain flood insurance on all structures, you may still wish to do so, and your mortgage lender may still require you to do so to protect the collateral securing the mortgage. If you choose to not maintain flood insurance on a structure, and it floods, you are responsible for all flood losses relating to that structure.

4. Understand Home Equity Lines of Credit (HELOCs) and refinancing

Homeowners sometimes decide they want to borrow against the value of their home to help remodel or pay for other large expenses. One way to do this is with a **Home Equity Line of Credit** (HELOC). You can learn more about HELOCs at files.consumerfinance.gov/f/201401_cfpb_booklet_heloc.pdf.

Financial counselors caution homeowners against using a HELOC to wipe out credit card debt. If you use a HELOC as a quick fix to a serious spending problem, you could end up back in debt and lose your home.

If you decide to take out a HELOC or refinance your mortgage, the Truth in Lending Act (TILA) gives you the **right to rescind**, meaning you can change your mind and cancel the loan. But you can only rescind a refinance or HELOC within three days of receiving a proper notice of the right to rescind from your lender. You cannot rescind if you are using your HELOC to buy a home.

In the case of a refinance, consider how long it will take for the monthly savings to pay for the cost of the refinance. Review the closing costs you paid for your original loan to purchase the home. Refinancing costs can be about the same amount. A common rule of thumb is to proceed only if the new interest rate saves you that amount over about two years (in other words, if you break even in about two years).

★ Congratulations!

You have accomplished a lot. It is not easy—you should feel proud of the work you've done.

Online tools

CFPB website
consumerfinance.gov

Answers to common questions
consumerfinance.gov/askcfpb

Tools and resources for home buyers
consumerfinance.gov/owning-a-home

Talk to a housing counselor
consumerfinance.gov/find-a-housing-counselor

General inquiries

Consumer Financial Protection Bureau
1700 G Street NW
Washington DC 20552

Submit a complaint

Online
consumerfinance.gov/complaint

By phone
855-411-CFPB (2372);
TTY/TDD 855-729-CFPB (2372);
8 a.m. to 8 p.m. Eastern Time, Monday-Friday

By fax
855-237-2392

By mail
Consumer Financial Protection Bureau
P.O. Box 4503
Iowa City, Iowa 52244

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Last updated August 2015

ADJUSTABLE RATE MORTGAGE PROGRAM DISCLOSURE
5/5, 6/1 & 7/1
REVISED 07/01/2023

Bogota Savings Bank

This disclosure describes the features of the Adjustable Rate Mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

GENERAL DESCRIPTION OF THE ARM PROGRAM.

Your interest rate and payment can change after the initial term of six (6) or seven (7) years, then annually for the 6/1 and 7/1 or every (5) five years for the 5/5.

The changes will be based upon the movement of the interest rate index (**"index"**). The interest rate and payment amount will increase if the index rises, and may decrease if the index falls, subject to certain rules and limitations (**"caps"**) described below and on the reverse side. The interest rate will never be less than the start rate.

Your interest rate will be higher than the index, subject to the limitations (**"caps"**) described below and on the reverse side. The **"margin"** is the amount which will be added to the index to determine the interest rate at each adjustment. Once the margin is established for your loan, the margin will not change throughout the term of the loan. Ask us for our current interest rate and margin.

Your index, and a source of information about the index, is identified on the reverse side of this disclosure in the TABLE OF INFORMATION. If this index is not available, a comparable index will be used.

HOW YOUR INITIAL INTEREST RATE AND INITIAL PAYMENT AMOUNT WILL BE DETERMINED.

Your initial interest rate is not based on the index used to make later adjustments. The amount by which the initial interest rate is less than the rate that would be determined by adding the margin to the index (and then rounding) is called the **"initial interest rate discount"**. Ask us for the amount of the initial interest rate discount which currently applies to our adjustable rate mortgages.

Your initial payment will be based on the initial interest rate, loan balance and loan term. This initial payment will be determined by calculating the amount required to repay the amount of the loan in substantially equal monthly payments over the loan term at the initial interest rate.

HOW YOUR INTEREST RATE CAN CHANGE.

Your interest rate can change after the initial term of six (6) or seven (7) years, then annually for the 6/1 and 7/1 or every (5) five years for the 5/5.

The dates when the interest rate can change are called **"interest rate change dates"**.

At each adjustment, your interest rate cannot increase or decrease by an amount more than the **"periodic interest rate cap"**. The amount of the periodic interest rate cap is set forth on the reverse side in the TABLE OF INFORMATION.

During the life of the loan, your interest rate cannot increase by an amount more than the **"lifetime interest rate cap"**. The amount of the lifetime interest rate cap is set forth on the reverse side in the TABLE OF INFORMATION.

The interest rate which will be effective on the change date ("new interest rate") will be based on the index, plus the margin. The new interest rate will be calculated by adding the margin to the most recent published index figure available 45 days before the interest rate change date. The result will be rounded, and then adjusted, if necessary, according to the periodic and lifetime interest rate caps. The method of rounding is set forth on the reverse side in the TABLE OF INFORMATION.

HOW YOUR PAYMENT CAN CHANGE.

Your payment can change after the initial term of six (6) or seven (7) years, then annually for the 6/1 and 7/1 or every (5) five years for the 5/5.

If the interest rate changes on an interest rate change date, the payment change will become effective starting with the payment due one month later.

The new payment will be based on the new interest rate, the loan balance on the change date and the remaining loan term. This new payment will be determined by calculating the amount required to repay the remaining balance in substantially equal monthly payments over the remaining loan term at the new interest rate.

NOTICE OF INTEREST RATE AND PAYMENT CHANGES.

If your interest rate and payment change on any change date, you will be notified of the *estimated* change at least 210, but no more than 240 days before the due date of a payment at the new level. You will be notified of the *actual* change at least 60, but no more than 120 days before the due date of a payment at the new level. These notices will contain information about the index, interest rates, payment amount and loan balance.

(See page 2, 3 & 4 for more information)

TABLE OF INFORMATION - 6/1 ARM

Loan Amount:	$10,000.00	**Adjustments:**	Payments:	In 6 years, then annual
Initial Interest Rate:	5.875% (a)		Interest Rate:	In 6 years, then annual
Margin:	2.750% (b)	**Interest Rate Caps:**	Periodic:	2.000%
Initial Discount:	(-2.125%) (c)		Lifetime:	5.000%

(a) **Initial Interest Rate:** This is an initial interest rate we have used recently; your initial interest rate may be different.
(b) **Margin:** This is a margin we have used recently; your margin may be different.
(c) **Initial Discount:** This is an initial interest rate discount we have used recently; your discount may be different.

Rounding: The new interest rate is calculated by adding the margin to the index and rounding the result to the nearest 0.125% before being adjusted, if necessary, according to the periodic and lifetime interest rate caps.
Index: Weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of one (1) year as made available in the Federal Reserve Statistical Release H.15(519).
Important Notice: Your monthly payment can increase or decrease substantially based on annual changes in the interest rate.

Ask us for our current interest rate, available terms and our current margin and initial interest rate premium.

EXAMPLE OF MAXIMUM INTEREST RATE AND MAXIMUM PAYMENT WHICH COULD BE REQUIRED

For example, on a $10,000 loan with an initial interest rate of 5.875% in effect July, 2023, the maximum amount the interest rate can rise under this program is five (5.000%) percentage points to 10.875%, and the payment can rise as follows, depending on the term of the loan, beginning with year 7: (Note: The Payment Example is based on a 30 year term.)

To see what your monthly payment would have been during that period, divide your mortgage amount by $10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a mortgage amount of $60,000 would be:

30 Year Term (Initial Payment = $59.15)	**30 Year Term (Maximum Payment = $88.68)**
$60,000/$10,000=6	$60,000/$10,000=6
6 x $59.15 = $354.90	6 x $88.68 = $532.08

TABLE OF INFORMATION - 7/1 ARM

Loan Amount:	$10,000.00	**Adjustments:**	Payments:	In 7 years, then annual
Initial Interest Rate:	6.000% (a)		Interest Rate:	In 7 years, then annual
Margin:	2.750% (b)	**Interest Rate Caps:**	Periodic:	2.000%
Initial Discount:	(-2.000%) (c)		Lifetime:	5.000%

(a) **Initial Interest Rate:** This is an initial interest rate we have used recently; your initial interest rate may be different.
(b) **Margin:** This is a margin we have used recently; your margin may be different.
(c) **Initial Discount:** This is an initial interest rate discount we have used recently; your discount may be different.

Rounding: The new interest rate is calculated by adding the margin to the index and rounding the result to the nearest 0.125% before being adjusted, if necessary, according to the periodic and lifetime interest rate caps.
Index: Weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of one (1) year as made available in the Federal Reserve Statistical Release H.15(519).
Important Notice: Your monthly payment can increase or decrease substantially based on annual changes in the interest rate.

Ask us for our current interest rate, available terms and our current margin and initial interest rate premium.

EXAMPLE OF MAXIMUM INTEREST RATE AND MAXIMUM PAYMENT WHICH COULD BE REQUIRED

For example, on a $10,000 loan with an initial interest rate of 6.000% in effect July, 2023, the maximum amount the interest rate can rise under this program is five (5.00%) percentage points to 11.000%, and the payment can rise as follows, depending on the term of the loan, beginning with year 8: (Note: The Payment Example is based on a 30 year term.)

To see what your monthly payment would have been during that period, divide your mortgage amount by $10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a mortgage amount of $60,000 would be:

30 Year Term (Initial Payment = $59.96)	**30 Year Term (Maximum Payment = $87.64)**
$60,000/$10,000=6	$60,000/$10,000=6
6 x $59.96 = $359.76	6 x $87.64 = $525.84

TABLE OF INFORMATION - 5/5 ARM

Loan Amount:	$10,000.00	**Adjustments:**	Payments:	Every 5 years
Initial Interest Rate:	6.000% (a)		Interest Rate:	Every 5 years
Margin:	2.500% (b)	**Interest Rate Caps:**	Periodic:	2.000%
Initial Discount:	(-0.500%) (c)		Lifetime:	5.000%

(a) **Initial Interest Rate:** This is an initial interest rate we have used recently; your initial interest rate may be different.
(b) **Margin:** This is a margin we have used recently; your margin may be different.
(c) **Initial Discount:** This is an initial interest rate discount we have used recently; your discount may be different.

Rounding: The new interest rate is calculated by adding the margin to the index and rounding the result to the nearest 0.125% before being adjusted, if necessary, according to the periodic and lifetime interest rate caps.
Index: Weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of five (5) year as made available in the Federal Reserve Statistical Release H.15(519).
Important Notice: Your monthly payment can increase or decrease substantially based on annual changes in the interest rate.

Ask us for our current interest rate, available terms and our current margin and initial interest rate premium.

EXAMPLE OF MAXIMUM INTEREST RATE AND MAXIMUM PAYMENT WHICH COULD BE REQUIRED

For example, on a $10,000 loan with an initial interest rate of 6.000% in effect July, 2023, the maximum amount the interest rate can rise under this program is five (5.00%) percentage points to 11.000%, and the payment can rise as follows, depending on the term of the loan, beginning with year 6: (Note: The Payment Example is based on a 30 year term.)

To see what your monthly payment would have been during that period, divide your mortgage amount by $10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a mortgage amount of $60,000 would be:

30 Year Term (Initial Payment = $56.78)	**30 Year Term (Maximum Payment = $83.69)**
$60,000/$10,000=6	$60,000/$10,000=6
6 x $56.78 = $340.68	6 x $83.69 = $502.14

CONSUMER HANDBOOK ON

Adjustable-Rate Mortgages

Find out how your payment can change over time

Consumer Financial Protection Bureau

An official publication of the U.S. government

How to use the booklet

When you and your mortgage lender discuss adjustable-rate mortgages (ARMs), you receive a copy of this booklet. When you apply for an ARM loan, you receive a Loan Estimate. You can request and receive multiple Loan Estimates from competing lenders to find your best deal.

You may want to have your Loan Estimate handy for any loan you are considering as you work through this booklet. We reference a sample Loan Estimate throughout the booklet to help you apply the information to your situation.

You can find more information about ARMs at cfpb.gov/about-arms. You'll also find other mortgage-related CFPB resources, facts, and tools to help you take control of the homebuying process.

About the CFPB

The Consumer Financial Protection Bureau regulates the offering and provision of consumer financial products and services under the federal consumer financial laws and educates and empowers consumers to make better informed financial decisions.

This booklet, titled Consumer Handbook on Adjustable Rate Mortgages, was created to comply with federal law pursuant to 12 U.S.C. 2604 and 12 CFR 1026.19(b)(1).

How can this booklet help you?

This booklet can help you decide whether an adjustable-rate mortgage (ARM) is the right choice for you and to help you take control of the homebuying process.

Your lender may have already provided you with a copy of Your Home Loan Toolkit. You can also download the Toolkit from the CFPB's Buying a House guide at cfpb.gov/buy-a-house/.

An ARM is a mortgage with an interest rate that changes, or "adjusts," throughout the loan.

With an ARM, the interest rate and monthly payment may start out low. However, both the rate and the payment can increase very quickly.

Consider an ARM only if you can afford increases in your monthly payment—even to the maximum amount.

After you finish this booklet:

- You'll understand how an ARM works and whether it's the right choice for you. (page 2)
- You'll know how to review important documents when you apply for an ARM. (page 6)
- You'll understand the risks that come with different types of ARMs. (page 18)

Is an ARM right for you?

ARMs come with the risk of higher payments in the future that you might not be able to predict. But in some situations, an ARM might make sense for you. If you are considering an ARM, be sure to understand the tradeoffs.

TIP

Don't count on being able to refinance before your interest rate and monthly payments increase. You might not qualify for refinancing if the value of your home goes down or if something unexpected damages your financial situation, like a job loss or medical costs.

COMPARE	FIXED-RATE MORTGAGE	ADJUSTABLE-RATE MORTGAGE
Consider this option if	▪ You prefer predictable payments, or ▪ You plan to keep your home for a long period of time	▪ You are confident you can afford increases in your monthly payment—even to the maximum amount, or ▪ You plan to sell your home within a short period of time
Interest rate	▪ Set when you take out the loan ▪ Stays the same for the entire loan term	▪ Based on an index that changes ▪ May start out lower than a fixed rate mortgage but you bear the risk of increases throughout your loan
Monthly payment	▪ Principal and interest payment stays the same over the life of your loan ▪ You know the total you will pay in principal and interest over the life of the loan	▪ Initial principal and interest payment amount remains in effect for a limited period ▪ You can't know in advance how much total interest you will pay because your interest rate changes ▪ If you can't afford the increased payments, you may lose your home to foreclosure

Learn about how ARMs work

As you decide whether to move ahead with an ARM, you should understand how they work and how your housing costs can be affected.

Interest rate = index + margin

The interest rate on an ARM has two parts: the index and the margin.

INDEX

An **index** is a measure of interest rates generally that reflects trends in the overall economy. Different lenders use different indexes for their ARM programs.

Common indexes include the U.S. prime rate and the Constant Maturity Treasury (CMT) rate. Talk with your lender to find out more about the index they use, which is also shown on your Loan Estimate.

MARGIN

The **margin** is an extra percentage that the lender adds to the index.

You can shop around to different lenders to find the lowest combination of the index plus the margin. Your Loan Estimate shows the index and the margin being offered to you.

Changes to initial rate and payment

The *initial* interest rate and *initial* principal and interest payment amount on an ARM remain in effect for a limited period.

So, when you see ARMs advertised as 5/1 or 5/6m ARMs:

- The first number tells you the length of time your initial interest rate lasts.
- The second number tells you how often the rate changes after that.

For example, during the first five years in a 5/6m ARM your rate stays the same. After that, the rate may adjust every six months (the 6m in the 5/6m example) until the loan is paid off. This period between rate changes is called the **adjustment period**. Adjustment periods can vary. Some last a month, a year, or like this example, six months.

For some ARMs, the initial rate and payment can be very different from the rates and payments later in the loan term. Even if the market for interest rates is stable, your rates and payments could change a lot.

Use your Loan Estimate to understand your ARM

When you apply for a mortgage, the lender gives you a document called a **Loan Estimate**. It describes important features of the loan the lender is offering you. This section illustrates the parts of a Loan Estimate that are specific features of ARM loans. An interactive, online version of a Loan Estimate sample is available at: cfpb.gov/arm-explainer/

Product

Save this Loan Estimate to compare with your Closing Disclosure.

Loan Estimate

DATE ISSUED	
APPLICANTS	
PROPERTY	
SALE PRICE	
LOAN TERM	30 years
PURPOSE	Purchase
PRODUCT	5/1 Adjustable Rate
LOAN TYPE	☒ Conventional ☐ FHA ☐ VA ☐ _____
LOAN ID #	123456789
RATE LOCK	☒ NO ☐ YES

Before closing, your interest rate, points, and lender credits can change unless you lock the interest rate. All other estimated closing costs expire on

Loan Terms

Loan Terms		Can this amount increase after closing?	
Loan Amount	$216,000	NO	
Interest Rate	3%	YES	· Adjusts **every year** starting in year 6 · Can go **as high as 8%** in year 8 · See **AIR Table on page 2** for details
Monthly Principal & Interest *See Projected Payments Below for Your Total Monthly Payment*	$910.66	YES	· Adjusts **every year** starting in year 6 · Can go **as high as $1,467** in year 8
		Does the loan have these features?	
Prepayment Penalty		NO	
Balloon Payment		NO	

Projected Payments

Projected Payments Payment Calculation	Years 1-5	Years 6	Years 7	Years 8-30
Principal & Interest	$910.66	$838 min $1,123 max	$838 min $1,350 max	$838 min $1,467 max
Mortgage Insurance	+ 99	+ 99	+ 99	+ --
Estimated Escrow *Amount can increase over time*	+ 341	+ 341	+ 341	+ 341
Estimated Total Monthly Payment	$1,290	$1,217 – $1,502	$1,217 – $1,729	$1,179 – $1,808

		This estimate includes	In escrow?
Estimated Taxes, Insurance & Assessments *Amount can increase over time*	$341 a month	☒ Property Taxes ☒ Homeowner's Insurance ☐ Other:	YES YES

See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.

Costs at Closing		
Estimated Closing Costs	$X,XXX	Includes in Loan Costs + in Other Costs – in Lender Credits. *See details on page 2.*
Estimated Cash to Close	$XX,XXX	Includes Closing Costs. *See calculating Cash to Close on page 2 for details.*

Visit **www.consumerfinance.gov/learnmore** for general information and tools.

LOAN ESTIMATE PAGE 1 OF 3 • LOAN ID # 123456789

Adjustable Interest Rate (AIR) Table

Adjustable Interest Rate (AIR) Table	
Index + Margin	1 Year Cmt + 2.25%
Initial Interest Rate	3%
Minimum/Maximum Interest Rate	2.25% / 8%
Change Frequency	
First Change	Beginning of 61st month
Subsequent Changes	Every 12 months after first change
Limits on Interest Rate Changes	
First Change	2%
Subsequent Changes	2%

LOAN ESTIMATE PAGE 2 OF 3 • LOAN ID # 123456789

Loan terms

INTEREST RATE

The Loan Estimate shows the *initial* interest rate you pay at the beginning of your loan term. This row also shows how often your rate can change and how high it can go.

MONTHLY PRINCIPAL & INTEREST

The Loan Estimate shows the *initial* monthly principal and interest payment you'll make if you accept this loan. Your **principal** is the money that you originally agreed to pay back on your loan. **Interest** is a cost you pay to borrow the principal. The initial principal and interest payment amount for an ARM is set only for the initial period and may change after that.

THE TALK

You might hear, "An ARM makes sense because you can refinance the loan before your interest rate and monthly payment increase."

Ask yourself, a spouse, or a loved one:

"What if the market value of the home goes down?"

"What if our financial situation or our credit score gets damaged by something unexpected like a job loss or illness?"

"If we can't refinance at a better rate, can we afford the maximum interest rate and payment increase under this loan?"

Loan Terms		Can this amount increase after closing?	
Loan Amount	$216,000	**NO**	
Interest Rate	3%	**YES**	· Adjusts **every year** starting in year 6 · Can go **as high as 8%** in year 8 · See **AIR Table** for details
Monthly Principal & Interest *See Projected Payments Below for Your Total Monthly Payment*	$910.66	**YES**	· Adjusts **every year** starting in year 6 · Can go **as high as $1,467** in year 8
		Does the loan have these features?	
Prepayment Penalty		**NO**	
Balloon Payment		**NO**	

Example of "Loan terms" section. Find this on page 1 of your own Loan Estimate

Projected Payments

Payment Calculation	Years 1-5	Years 6	Years 7	Years 8-30
Principal & Interest	$910.66	$838 min $1,123 max	$838 min $1,350 max	$838 min $1,467 max
Mortgage Insurance	+ 99	+ 99	+ 99	+ ––
Estimated Escrow *Amount can increase over time*	+ 341	+ 341	+ 341	+ 341
Estimated Total Monthly Payment	$1,290	$1,217 – $1,502	$1,217 – $1,729	$1,179 – $1,808

		This estimate includes	In escrow?
Estimated Taxes, Insurance & Assessments *Amount can increase over time*	$341 a month	☒ Property Taxes	YES
		☒ Homeowner's Insurance	YES
		☐ Other:	
		See Section G on page 2 for escrowed property costs. You must pay for other property costs separately.	

Example of "Projected payments" section. Find this on page 1 of your own Loan Estimate

Projected payments

PRINCIPAL & INTEREST

The monthly principal and interest payment on your ARM is likely to change after the initial period. Review this section to see how your payment can change based on your loan's interest rate.

ESTIMATED TOTAL MONTHLY PAYMENT

Review this row to see the total minimum and maximum monthly payments. The payments include mortgage insurance, property taxes, homeowners insurance, and any additional property assessments or other escrow items. Learn more about these mortgage terms at cfpb.gov/mortgage-terms/

Keep in mind that other parts of your monthly and annual housing costs can change, such as your property taxes and homeowners insurance payments.

THE TALK

Talk over how your financial life could be affected if your ARM monthly payment increases. In future years, you might face money decisions like:

- Job changes
- School or other education expenses
- Medical needs and expenses

Because ARM adjustments are unpredictable, you might have less or more financial flexibility for other parts of your life.

Adjustable Interest Rate (AIR) table

You should read and understand the AIR table calculations before committing to an ARM. It's important to know how your interest rate changes over the life of your loan.

INDEX + MARGIN

Your lender is required to show you how your interest rate is calculated, which is determined by the index and margin on your loan. See page 2 of this booklet for more about index and margin.

INITIAL INTEREST RATE

This is the interest rate at the beginning of your loan. The initial interest rate changes to the index plus the margin at your first adjustment (subject to the limits on interest rate changes). Your loan servicer tells you your new payment amount seven to eight months in advance, so you can budget for it or shop for a new loan.

MINIMUM/MAXIMUM INTEREST RATE

This shows how low or high your interest rate could be over the life of your loan. Generally, an ARM's interest rate is never lower than the margin.

CHANGE FREQUENCY

This indicates when the interest rate on your loan will change. Your loan servicer sends you advance notices of changes.

LIMITS ON INTEREST RATE CHANGES

This shows the highest amount your interest rate can increase when there is a change.

Adjustable Interest Rate (AIR) Table	
Index + Margin	1 Year Cmt + 2.5%
Initial Interest Rate	3%
Minimum/Maximum Interest Rate	2.5% / 8%
Change Frequency	
First Change	Beginning of 61st month
Subsequent Changes	Every 12 months after first change
Limits on Interest Rate Changes	
First Change	2%
Subsequent Changes	2%

Example of "AIR table" section. Find this on page 2 of your own Loan Estimate

"TEASER" RATES

Some lenders offer a "teaser," "start," or "discounted" rate that is lower than their fully indexed rate. When the teaser rate ends, your loan takes on the fully indexed rate. Don't assume that a loan with a teaser rate is a good one for you. Not everyone's budget can accommodate a higher payment.

Consider this example:

- A lender's fully indexed rate is 4.5% (the index is 2% and the margin is 2.5%).
- The loan also features a "teaser" rate of 3%.
- Even if the index doesn't change, your interest rate still increases from 3% to 4.5% when your teaser rate expires.

COMPARE YOUR ARM OFFERS

Shop for at least three loan offers, and fill in the blanks below using the information on your Loan Estimates:

	ARM OFFER 1	ARM OFFER 2	FIXED-RATE OFFER
Lender name			
Loan amount	$	$	$
Initial interest rate	%	%	%
Initial principal and interest payment	$	$	$
Index			
Margin			
How long will the initial interest rate and initial payment apply?			
How high can my interest rate go?	%	%	%
How high can my principal and interest payment go?	$	$	$

My best loan offer is: _____

THE TALK

You are in control of whether or not to proceed with an ARM. If you prefer to proceed with a fixed-rate mortgage, here is one way to start the conversation with a lender:

"A fixed-rate mortgage seems to be a better fit for me. Let's talk about what you can offer and how it compares to other loans I may be able to get."

Review your lender's ARM program disclosure

Your lender gives you an ARM program disclosure when they give you an application. This is the lender's opportunity to tell you about their different ARM loans and how the loans work. The index and margin can differ from one lender to another, so it is helpful to compare offers from different lenders.

Generally, the index your lender uses won't change after you get your loan, but your loan contract may allow the lender to switch to a different index in some situations.

GATHER FACTS

Review your program disclosure and ask your lender questions to understand their ARM loan offerings:

- ☐ How are the interest rate and payment determined?
- ☐ Does this loan have interest-rate caps (that is, limits on interest rate changes)?
- ☐ How often do the interest rate and payment adjust?
- ☐ What index is used and where is it published?
- ☐ Is the initial interest rate lower than the fully indexed rate? (see "Teaser rates," on page 12)
- ☐ What type of information is provided in notices of adjustment and when do I receive them?

Ask about other options offered by your lender

Conversion option

Your loan agreement may include a clause that lets you convert the ARM to a fixed-rate mortgage in the future.

When you convert, the new rate is generally set using a formula given in your loan documents. That fixed rate may be higher or lower than interest rates available to you in the market at that time. Also your lender may charge you a conversion fee. Ask your lender whether the loan you are being offered has a conversion feature and how it works.

Special features

You can shop around to understand what special ARM features may be available from different lenders.

Not all programs are the same. Talk with your lender to find out if there's anything special about their ARM programs that you may find valuable.

Check your ARM for features that could pose risks

Some types of ARMs have features that can reduce your payments in the short term but may include fees or the risk of higher payments later. Review your loan terms and make sure that you understand the fees and how your rate and payment may change. **Lower payments at the beginning could mean higher fees or much higher payments later.**

Paying points to reduce your initial interest rate

Lenders can offer you a lower rate in exchange for paying loan fees at closing, or points.

With an ARM, paying points often reduces your interest rate only until the end of the initial period—the reduction most likely does not apply over the life of your loan.

If you are using an ARM to refinance a loan, points are often rolled into your new loan amount. You might not realize you are paying points unless you look carefully. Points are disclosed on the top of Page 2 of your Loan Estimate.

Lenders may give you the option to pay points, but you never have to take that option. To figure out if you have a good deal, compare your cost in points with the amount that you will save with a lower interest rate.

Loan Costs	
A. Origination Charges	**$3,160**
1% of Loan Amount (Points)	$2,160
Application Fee	$500
Processing Fee	$500

Example of "Loan costs" section. Find this on page 2 of your own Loan Estimate

THE TALK

If your Loan Estimate shows points, ask your lender:

- "What is my interest rate if I choose not to pay points?"
- "How much money do I pay in points? And, compared to the total reduction in my payments during the initial period, am I coming out ahead?"
- "Can I see a revised Loan Estimate with the points removed and the interest rate adjusted?"

Interest-only ARMs

With an interest-only ARM payment plan, you pay only the interest for a specified number of years. During this interest-only period, you have smaller monthly payments, but you are not paying anything toward your mortgage loan balance.

When the interest-only period ends, your monthly payment increases—even if interest rates stay the same—because you must start paying back the principal plus the interest each month. Your monthly payments can increase a lot. The longer the interest-only period, the more your monthly payments increase after the interest-only period ends.

Payment option ARMs

Payment option ARMs were common before 2008 when the housing crisis began, and some lenders might still offer them.

A payment option ARM means the borrower can choose from different payment options, such as:

- A traditional principal and interest payment
- An interest-only payment (see above)
- A minimum payment, which could result in negative amortization

Negative amortization happens when you are not paying enough to cover all of the interest due. Your loan balance goes up instead of down.

GATHER FACTS

Learn more information about payment option ARMs and negative amortization at:

- cfpb.gov/payment-option-arm/
- cfpb.gov/negative-amortization/

WELL DONE!

Choosing the right home loan is just as important as choosing the right home. By equipping yourself with knowledge about ARMs, you can decide whether or not this type of loan is the right choice for you.

Consumer Handbook on Adjustable-Rate Mortgages

ASK YOUR LENDER

- How high can my payment go?
- How high can my interest rate go?
- How long is my initial principal and interest payment guaranteed?

ASK YOURSELF

- Have I shopped around to compare ARMs and fixed-rate loans?
- If an ARM has a lower initial interest rate than a fixed-rate mortgage, is paying less money now worth the risk of an increase later?
- Can I afford the highest payment possible with the ARM if I can't sell the home, or refinance into a lower rate, before the increase?

ONLINE TOOLS

CFPB website
cfpb.gov

Answers to common questions
cfpb.gov/askcfpb

Tools and resources for home buyers
cfpb.gov/owning-a-home

Talk to a housing counselor
cfpb.gov/find-a-housing-counselor

Submit a complaint
cfpb.gov/complaint

Last updated 06/20

Bogota Savings Bank

819 Teaneck Road, Teaneck, NJ 07666

Privacy Notice

FACTS

WHAT DOES BOGOTA SAVINGS BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Address
- Name
- Payment History
- Credit History
- Social Security Number
- Account Balances

When you are no longer our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons Bogota Savings Bank chooses to share; and whether you can limit the sahring.

Reasons we can share your personal information	Does Bogota Savings Bank share?	Can you limit the sharing?
For our everyday business purposes- To process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
For our marketing purposes- to offer our products and services to you	YES	NO
For joint marketing with other financial companies	NO	NO
For our affiliates' everyday business purposes- information about your transactions and experiences	NO	NO
For our affiliates' everyday business purposes- information about your creditworthiness	NO	NO
For nonaffiliates to market to you	NO	NO

Questions? Call (201) 862-0660 or go to www.BogotaSavingsBank.com

Who we are

Who is providing this notice?	Bogota Savings Bank

What we do

How does Bogota Savings Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Bogota Savings Bank collect my personal information?	We collect your personal information, for example, when you ◆ Pay your bills ◆ Deposit Money ◆ Apply for a loan ◆ Open an account ◆ Use your ATM or debit card
Why can't I limit all sharing?	Federal law gives you the right to limit only ◆ Sharing for affiliates' everyday business purposes- information about your credit worthiness ◆ Affiliates from using your information to market to you ◆ Sharing for nonaffiliates to market to you State laws and individual companies may give you additional information to limit sharing

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

Other Important Information

Customer Identification Program

Understanding the Patriot Act

There are new changes in the personal information we request of our customers.

You will be asked to provide more information about yourself than you have in the past. We will ask for one or more forms of identification to enable us to verify your identity. These new requirements apply even if you are an existing customer and want to open a different account with us.

Why inconvenience ordinary people—those who are not terrorists or thieves?

The purpose is to positively identify all of the legitimate customers by scrutinizing proper documents. By knowing the correct owners of all legal entities (companies, trusts, etc.) the Bank and legal authorities, by process of elimination, can focus their attention on those whose identity and motives may be suspect.

There is a big benefit for you, our customers: protection from identity theft. In identity theft, someone pretends to be you and, if not detected, can attempt to withdraw funds from your accounts, borrow against your name, and perhaps ruin your reputation and credit rating. Even if the person is caught and you can prove that you were not responsible for any of these actions, clearing your name can take a lot of time. By carefully verifying the identities of all those who use our products and services, we reduce the risk that someone will be stealing your identity. So when we ask for your ID's and request information, it is to be sure that we are really dealing with ***you.***

A new law requires all banks in the United States to follow identity procedure.

After 9/11, Congress enacted a law called the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot) Act". The Act has numerous provisions including new rules restrict the ways in which terrorists and others can use our country's financial system for improper purposes.

The objectives of the new USA PATRIOT Act Identification Procedures.

The new requirements are intended to ensure that all financial institutions use extreme diligence to identify those with whom they do business. It is expected that, as identification and verification standards are uniformly raised, it will help prevent those with false or undocumented identities from entering the banking system. The government will find it easier to identify and track those who enter the banking system to use it for illegal activities

Are these precautions necessary?

Yes! After 9/11 banks learned how much the system was used to convey funds to terrorists. It is confirmed

that organized crime and drug traffickers utilize the banking system in a manner that hurts our country.

What information will be requested?

Under the new uniform minimum standards, for every account holder and authorized signor, we are required to at least obtain minimum information as specified in the regulation. The exact information may vary depending on factors such as whether the customer is a U.S. person and whether the customer is a person or a legal entity such as a corporation. However, we will be collecting information such as:

- *name*
- *address*
- *mailing address (if different)*
- *date of birth*
- *taxpayer ID*
- *your driver's license or some other identifying document*

In addition, we must undertake steps as appropriated under the circumstances to verify identity information that is provided by our customers. The means of verification are varied and may include the use of credit reports and similar information sources.

Your privacy is protected!

There is a federal right to financial privacy that protects you from unwarranted intrusion by federal agencies, as well as another law that protects consumers form having nonpublic financial information shared outside our bank without your approval. The changes made by the USA PATRIOT Act deals more with the bank knowing your true identity as a customer. A new standard is set for asking about, verifying, and documenting the identity of customers.

In Summary:

The reason we are increasing our requirements for identification of our customers:

- ✓ *It's the law*
- ✓ *To help limit identity theft*
- ✓ *To fight terrorism and money laundering*

We appreciate your patience and cooperation.