



Member FDIC ♦ Equal Housing Lender

(201) 862-0660

Dear Applicant:

Thank you for applying to Bogota Savings Bank for your **Home Equity Line of Credit**. We look forward to the opportunity to serve your home financing needs.

Enclosed is a Home Equity Line of Credit Application which we ask that you complete in detail to include **all account numbers and addresses of Creditors, if any will be paid off with any of the loan proceeds.**

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

The loan application 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, on 1-4 family dwellings only.

The completed application will take approximately 2 weeks to process, and upon the loan being approved you will receive a 30 day written commitment.

**FIRST LIEN & SECOND LIEN** - 1-4 Family (Owner Occupied) Maximum LTV - 80% up to \$750,000; 75% for \$750,001-\$2,000,000; 70% for \$2,000,000 and up.

**INVESTMENT PROPERTIES** - 1-2 Family (Non-Owner Occupied); 1st Lien Max LTV - 70% up to \$750,000; 65% up to \$1,000,000; 2nd Lien Max CLTV - 65% up to \$750,000; 60% up to \$1,000,000.

Maximum LTV's for Condos, Planned Unit Developments and Townhouses will be reduced by 5%.

Product types and payment examples can be found in the Important Terms of our Home Equity Line of Credit Disclosures.

Homeowners Insurance with extended coverage, in form, amount and carrier satisfactory to Bogota Savings Bank is required. If the property is determined by Bogota Savings Bank to be in a flood zone, flood insurance will also be required.

You have the right to a copy of the appraisal or written valuation. This right covers all first liens on dwellings, including closed-end mortgage loans and open-end loans. We will send a free copy of the appraisal or written valuation promptly after they are completed regardless of whether credit is extended, denied, incomplete or withdrawn.

Upon closing of the credit line, a lien will be placed upon your property. Our lien position must be in 1<sup>st</sup> or 2<sup>nd</sup> place.

Enclosed also please find:

1. Important Terms of our Home Equity Line of Credit Disclosures
2. What you should know about Home Equity Lines of Credit

**[www.BogotaSavingsBank.com](http://www.BogotaSavingsBank.com)**

3. List of Creditors to be paid (if applicable)
4. Contact & Subject Property Information Sheet
5. E-Sign Disclosure
6. Mortgage Loan Originator Information Page
7. Patriot Act Notice
8. Privacy Notice

**Proof of Income Requirements:** Previous 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.

The Bank will review the assets and liabilities on the application for reasonableness and request most recent account statements for loans over \$300,000.

Application and required papers can be dropped off or mailed to the above location. All of the above items must accompany the application in order to process your loan. Any missing items will delay the processing procedure.

If you require any assistance or would like information on any other loan or property types, please contact the Mortgage Department at (201) 862-0660.

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.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

**For current interest rate information please go to [www.bogotasavingsbank.com](http://www.bogotasavingsbank.com) or call the Mortgage Department at (201) 862-0660.**

**IMPORTANT: Read these Directions Before Completing this Application.**

If you are applying for an individual account in your own name AND are relying on your own income or assets, NOT the income or assets of another person, as the basis for repayment of the credit requested, complete this application with only information pertaining to you, the Borrower.

If you are applying for a joint account OR an account that you and another person will use, complete this application with information pertaining to you as the Borrower and information pertaining to the joint applicant or user as the Co-borrower.

If this is an application for joint credit, borrower and co-borrower each agree that we intend to apply for joint credit (sign below).

Borrower				Co-borrower			
<b>LINE OF CREDIT</b>		No. of Months	Amount \$	Interest Rate		Property Type <input type="checkbox"/> Single Family Dwelling <input type="checkbox"/> Other _____	
Address of Property				Property Taxes		Annual Hazard Insurance	Purchase Price
<b>Purpose of Loan</b>				Will this loan payoff or refinance the original mortgage used to purchase the subject property?		Yes <input type="checkbox"/> No <input type="checkbox"/>	
Present Value of Home		Home Improvements - Describe					
Title In Name Of			Address of Title Holder				
<b>BORROWER</b>				<b>CO-BORROWER</b>			
Name		Date of Birth	School Yrs. _____	Name		Date of Birth	School Yrs. _____
<b>Present Address</b>		No. Years _____	<input type="checkbox"/> Own <input type="checkbox"/> Rent	<b>Present Address</b>		No. Years _____	<input type="checkbox"/> Own <input type="checkbox"/> Rent
Street _____				Street _____			
City/State/Zip _____				City/State/Zip _____			
<b>Former Address If less than 2 years at present address</b>				<b>Former Address If less than 2 years at present address</b>			
Street _____				Street _____			
City/State/Zip _____				City/State/Zip _____			
Years at former address		<input type="checkbox"/> Own <input type="checkbox"/> Rent		Years at former address		<input type="checkbox"/> Own <input type="checkbox"/> Rent	
Marital <input type="checkbox"/> Married <input type="checkbox"/> Separated	DEPENDENTS OTHER THAN LISTED BY CO-BORROWER			Marital <input type="checkbox"/> Married <input type="checkbox"/> Separated	DEPENDENTS OTHER THAN LISTED BY BORROWER		
Status <input type="checkbox"/> Unmarried (incl. single, divorced, widowed)	NO.	AGES		Status <input type="checkbox"/> Unmarried (incl. single, divorced, widowed)	NO.	AGES	
Name and Address of Employer		Years at current job _____ Years employed in this line of work or profession _____ <input type="checkbox"/> Self-Employed		Name and Address of Employer		Years at current job _____ Years employed in this line of work or profession _____ <input type="checkbox"/> Self-Employed	
Position/Title		Type of Business		Position/Title		Type of Business	
Social Security Number		Home Phone	Business Phone	Social Security Number		Home Phone	Business Phone
<b>GROSS MONTHLY INCOME</b>				<b>ACCOUNT INFORMATION</b>			
Item	Borrower	Co-Borrower	Total	Account No.	Name & Address of Depository	Balance	
Base Empl. Income	\$	\$	\$	Checking			
Overtime							
Bonuses							
Commissions				Savings			
Dividends/Interest							
Net Rental Income							
Other † (Before completing, see Notice under Describe Other Income below.)				Other Assets			
<b>TOTAL</b>	\$	\$	\$	<b>TOTAL</b>			
<b>DESCRIBE OTHER INCOME</b>							
▼ B-Borrower		C-Co Borrower		NOTICE: † Alimony, child support, or separate maintenance income need not be revealed if the Borrower or Co-Borrower does not choose to have it considered as a basis for repaying the loan.			Monthly Amount
							\$

**IF EMPLOYED IN CURRENT POSITION FOR LESS THAN TWO YEARS, COMPLETE THE FOLLOWING**

B/C ▼	Previous Employer	City/State	Type of Business	Position/Title	Dates/From/To	Monthly Amount
						\$

**Debts:** List all fixed obligations and installment accounts. (If more space is needed list on attached sheets).  
Indicate by (\*) these liabilities which will be satisfied with the proceeds of this loan.

**LIABILITIES**

Creditor's Name, Address and Account Number	No. of Months Left To Pay	Monthly Payments	Unpaid Balance
Real Estate Loans			
Automobile Loan/Leases			
Charge Accounts / Credit Cards			
Other			
Alimony, Child Support and Separate Maintenance Payments Owed To			
	TOTAL LIABILITIES	\$	\$

**Schedule of Real Estate Owned** (If additional properties are owned, use continuation sheet.)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
	Totals	\$		\$	\$	\$	\$

**THESE QUESTIONS APPLY TO BOTH BORROWER AND CO-BORROWER**

If you answer "yes" to any questions (A.) through (G.) explain on an attached sheet of paper.

Borrower  
Yes or No

Co-Borrower  
Yes or No

Borrower  
Yes or No

Co-Borrower  
Yes or No

A. Have you any outstanding judgments?

\_\_\_\_\_

\_\_\_\_\_

E. Are you obligated to pay alimony, child support, or separate maintenance?

\_\_\_\_\_

\_\_\_\_\_

B. In the last 7 years, have you been declared bankrupt?

\_\_\_\_\_

\_\_\_\_\_

F. Do you have any past due obligations owed to or insured by any agency of the federal government?

\_\_\_\_\_

\_\_\_\_\_

C. Have you had property foreclosed upon or given title or deed in lieu thereof, in the last 7 years?

\_\_\_\_\_

\_\_\_\_\_

G. Are you a co-maker or endorser on a note?

\_\_\_\_\_

\_\_\_\_\_

D. Are you a party in a lawsuit?

\_\_\_\_\_

\_\_\_\_\_

H. Are you a U.S. citizen?

\_\_\_\_\_

\_\_\_\_\_

I. Are you a permanent resident alien?

\_\_\_\_\_

\_\_\_\_\_

J. Do you intend to occupy the property as your primary residence?

\_\_\_\_\_

\_\_\_\_\_

AGREEMENT: The undersigned applies for the loan indicated in this application to be secured by a mortgage or deed of trust on the property described herein, and represents that the property will not be used for any illegal or restricted purpose, and that all statements made in this application are true and are made for the purpose of obtaining the loan. Verification may be obtained from any source named in this application. The original or a copy of this application will be retained by the Lender, even if the loan is not granted.

A consumer report may be requested in connection with this credit application. Without notice, future reports may be requested to update, renew or extend credit. If reports are requested, the names and addresses of the consumer reporting agencies that furnished them are available from the Lender.

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower's Signature

\_\_\_\_\_  
Date

**To Be Completed By Loan Officer**

This application was taken by:

- ☐ face to face interview
- ☐ by mail
- ☐ by telephone
- ☐ by fax
- ☐ by internet

\_\_\_\_\_  
Loan Officer

\_\_\_\_\_  
Date Application Received

\_\_\_\_\_  
Loan Officer Signature

\_\_\_\_\_  
NMLS Number

**Bogota Savings Bank**  
**819 Teaneck Road • Teaneck, NJ 07666**

**IMPORTANT TERMS  
OF OUR  
HOME EQUITY LINE OF CREDIT**

- **Option 1 – Prime minus 1.000% - 15 Year Revolving** (15 year draw period/15 year repayment period)
- **Option 2 – Prime minus 0.500% - 10 Year Revolving** (10 year draw period/15 year repayment period)
- **Option 3 – Prime minus 0.250% - Interest Only 5 Year Revolving** (5 year draw period/15 year repayment period)
- **Option 4 – Prime – 10 Year Revolving** (10 year draw period/10 year repayment period)
- **Option 5 – Prime plus 0.500% - Investment 15 Year Revolving** (15 year draw period/15 year repayment period)

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

**Availability of Terms:** All of the terms described below are subject to change.

If, within three business days of receiving this disclosure and the Home Equity Brochure, you decide not to enter into a home equity agreement with us, you will be entitled to a refund of any fees you paid to us.

If these terms change (other than the Annual Percentage Rate) and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees you paid to us or anyone in connection with your application.

**Security Interest:** We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

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

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

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

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

The initial Agreement permits us to make certain changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

**Minimum Payment Requirements Option 1 – (15 Year Draw/ 15 Year Repayment - Principal and Interest Option):** You can obtain advances of credit for 15 years (the draw period). Payments will be due monthly.

Your minimum payment during the draw period will equal 1/360<sup>th</sup> of the outstanding balance as of the last day of the billing cycle reflected on the monthly statement, plus accrued Finance Charges and other charges. After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance over the repayment period. Your minimum payment during the repayment period will equal 1/180<sup>th</sup> of the outstanding balance as of the last day of the billing cycle reflected on the monthly statement, plus accrued

Finance Charges and other charges. After the repayment period ends, any balance remaining will be due and payable.

**Minimum Payment Requirements Option 2 – (10 Year Draw/15 Year Repayment - Principal and Interest Option):** You can obtain advances of credit for 10 years (the draw period). Payments will be due monthly and will equal 1/120<sup>th</sup> of the outstanding balance as of the last day of the billing cycle reflected on the monthly statement, plus accrued Finance Charges and other charges.

During the Repayment period, your minimum payment will equal 1/180<sup>th</sup> of the outstanding balance as of the last day of the billing cycle reflected on the monthly statement, plus accrued Finance Charges and other charges. After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance over the repayment period. After the repayment period ends, any balance remaining will be due and payable.

**Minimum Payment Requirements Option 3 – (5 Year Draw/15 Year Repayment – Interest Only Option):** You can obtain advances of credit for 5 years (the draw period). During the draw period, payments will be due monthly. Your minimum payment will equal the Finance Charges that accrued on the outstanding balance, plus other charges as reflected on the statement.

During the interest-only period (the draw period), the minimum payment will not reduce the principal that is outstanding on your line.

After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance over 15 years (the repayment period). Payments will be due monthly. Your minimum payment will equal 1/180<sup>th</sup> of the outstanding balance as of the last day of the billing cycle reflected on the monthly statement, plus accrued Finance Charges and other charges. After the repayment period ends, any balance remaining will be due and payable.

**Minimum Payment Requirements Option 4 – (10 Year Draw/10 Year Repayment - Principal and Interest Option):** You can obtain advances of credit for 10 years (the draw period). Payments will be due monthly.

After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance over (the repayment period). Your minimum payment will equal 1/120<sup>th</sup> of the outstanding balance as of the last day of the billing cycle reflected on the monthly statement, plus accrued Finance Charges and other charges. After the repayment period ends, any balance remaining will be due and payable.

**Minimum Payment Requirements Option 5 – (15 Year Draw/ 15 Year Repayment – Investment Principal and Interest Option):** You can obtain advances of credit for 15 years (the draw period). Payments will be due monthly.

After the draw period ends, you will no longer be able to obtain credit advances and must repay the outstanding balance over (the repayment period). Your minimum payment will equal 1/180<sup>th</sup> of the outstanding balance as of the last day of the billing cycle reflected on the monthly statement, plus accrued Finance Charges and other

charges. After the repayment period ends, any balance remaining will be due and payable.

**How Your Finance Charge Is Determined:** We figure the finance charge on your account by applying the periodic rate(s) to the "Average Daily Balance" of your account (including current transactions). To get the "Average Daily Balance," we take the beginning balance of your account each day, add the new advances or debits, and subtract any payments of credits and unpaid finance charges, late charges, and insurance premiums. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average Daily Balance." The finance charge is calculated by multiplying this "Average Daily Balance" by the daily periodic rate(s) by the number of days in the billing cycle. Finance charges are imposed on each cash advance from the day the loan is posted to your account. You may at any time pay any part or all of your indebtedness. You must pay the "Minimum Payment Due" by the next "Payment Due Date" reflected on the front of the statement. "Minimum Payment Due" does not reflect the full amount due of final payment or payoff. Please contact us for details.

**Minimum Payment Example:** If you took a single credit advance of \$10,000 and made only the minimum payments:

- **Option 1 – 15 Year Draw/15 Year Repayment - Principal & Interest:** During the repayment period, it would take 15 years to pay off the advance at an **ANNUAL PERCENTAGE RATE** of 7.500%. During that period you would make 179 monthly payments varying between \$117.20 and \$55.90 followed by a final payment of \$55.10.
- **Option 2 – 10 Year Draw/15 Year Repayment - Principal & Interest:** It would take 10 years to pay off the advance at an **ANNUAL PERCENTAGE RATE** of 8.000%. During that period you would make 119 monthly payments varying between \$149.08 and \$83.88 followed by a final payment of \$83.33.
- **Option 3 – 5 Year Draw/15 Year Repayment - Interest Only:** It would take 20 years to pay off the advance at an **ANNUAL PERCENTAGE RATE** of 8.250%. During that period, you would make 60 monthly interest-only payments of \$67.81 followed by 179 monthly payments varying between \$123.37 and \$55.93 followed by a final payment of \$55.13.
- **Option 4 – 10 Year Draw/10 Year Repayment - Principal & Interest:** It would take 10 years to pay off the advance at an **ANNUAL PERCENTAGE RATE** of 8.500%. During that period you would make 119 monthly payments varying between \$153.19 and \$83.91 followed by a final payment of \$83.33.
- **Option 5 – 15 Year Draw/15 Year Repayment - Principal & Interest:** It would take 15 years to pay off the advance at an **ANNUAL PERCENTAGE RATE** of 9.000%. During that period you would make 179 monthly payments varying between \$129.53 and \$55.97 followed by a final payment of \$55.17.

#### **Fees and Charges:**

**Third Party Fees:** You must pay certain fees to third parties to open a line. These fees generally total between \$40 and \$3,050. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

**Prepayment Penalty:** An early termination fee of \$400 will be charged by the Bank in the event that the line is paid off and closed within the first three (3) years which includes the loan origination costs.

**Automatic Payment Deduction:** With your authorization, we will automatically deduct the minimum monthly payment from your Bogota Savings Bank checking account on the payment due date shown on your monthly statement.

**Minimum Draw Requirement:** The minimum credit advance that you can receive is \$500.

**Tax Deductibility:** You should consult a tax advisor regarding the deductibility of interest and charges for the line.

**Mortgage Tax and Title Insurance:** The cost of Mortgage Tax and Title Insurance will be based on the maximum amount of the line, whether or not funds are advanced.

**Property Insurance:** You must carry insurance on the property that secures this plan.

**Variable Rate Feature:** The line has a variable rate feature, and the Annual Percentage Rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The Annual Percentage Rate includes only interest and no other costs.

The Annual Percentage Rate is based on the value of an index. The Index is the highest Prime Rate published in The Wall Street Journal. The rate will be adjusted monthly. To determine the Annual Percentage Rate that we will apply to your line, we add a margin to the value of the index.

Ask us for the current index value, margins and Annual Percentage Rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

**Rate Changes:** The Annual Percentage Rate can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15.000%. The minimum **ANNUAL PERCENTAGE RATE** that can apply for Option 1 is 5.000%. The minimum **ANNUAL PERCENTAGE RATE** that can apply for Option 2 is the start rate. The minimum **ANNUAL PERCENTAGE RATE** that can apply for Option 3 is the start rate. The minimum **ANNUAL PERCENTAGE RATE** that can apply for Option 4 is the start rate. The minimum **ANNUAL PERCENTAGE RATE** that can apply for Option 5 is the start rate. Apart from these "rate caps," there is no limit on the amount by which the rate can change during any one-year period.

**Maximum Rate and Payment Examples:** If you have an outstanding balance of \$10,000 and the interest rate increased to the maximum of 15.000% as rapidly as possible:

**Option 1 -** Your highest payment during both the draw period and repayment periods would be \$178.85.

**Option 2 -** Your highest payment during both the draw period and repayment periods would be \$206.62.

**Option 3 -** Your highest payment would be \$123.29 during the draw period and \$178.85 during the repayment period.

**Option 4 -** Your highest payment during both the draw period and repayment periods would be \$206.62.

**Option 5 -** Your highest payment during both the draw period and repayment periods would be \$178.85.

This annual percentage rate could be reached in one month.

**Copy of Appraisal:** You have the right to a copy of the appraisal or written valuation. This right covers all first liens on dwellings, including closed-end mortgage loans and open-end loans. We will send a free copy of the appraisal or written valuation promptly after they are completed regardless of whether credit is extended, denied, incomplete or withdrawn.

**Historical Example:** The following tables show how the Annual Percentage Rate and the monthly payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 10 or 15 years. The index values for The Wall Street Journal Prime Rate are from the first week in July of each year and the current period states the current effective rate. While only one payment amount per year is shown, payments would have varied during each year. The table assumes no additional credit advances were taken, that only the minimum payments were made and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future.

**TABLE 1 – Option 1 – 15 Year Draw/15 Year Repayment - Principal and Interest**

	Year	Index	Margin <sup>1</sup>	Annual Percentage Rate	Minimum Monthly Payment
<b>Draw Period</b>	2009	3.250%	-1.000%	4.000% <sup>2</sup>	60.66
	2010	3.250%	-1.000%	4.000% <sup>2</sup>	59.56
	2011	3.250%	-1.000%	4.000% <sup>2</sup>	58.46
	2012	3.250%	-1.000%	4.000% <sup>2</sup>	57.37
	2013	3.250%	-1.000%	4.000% <sup>2</sup>	56.27
	2014	3.250%	-1.000%	4.000% <sup>2</sup>	55.81
	2015	3.250%	-1.000%	4.000% <sup>2</sup>	54.08
	2016	3.500%	-1.000%	4.000% <sup>2</sup>	52.98
	2017	4.250%	-1.000%	4.000% <sup>2</sup>	51.89
	2018	5.000%	-1.000%	4.000% <sup>2</sup>	50.79
	2019	5.500%	-1.000%	4.500%	52.44
	2020	3.250%	-1.000%	3.750% <sup>2</sup>	47.30
	2021	3.250%	-1.000%	3.750% <sup>2</sup>	46.27
	2022	4.750%	-1.000%	3.750%	45.24
<b>Current Period</b>	2023	8.500%	-1.000%	7.500%	60.15

**TABLE 2 – Option 2 – 10 Year Draw/15 Year Repayment – Principal and Interest**

	Year	Index	Margin <sup>1</sup>	Annual Percentage Rate	Minimum Monthly Payment
<b>Draw Period</b>	2014	3.250%	-0.500%	2.750% <sup>2</sup>	105.93
	2015	3.250%	-0.500%	2.750% <sup>2</sup>	103.67
	2016	3.500%	-0.500%	3.000%	103.06
	2017	4.250%	-0.500%	3.750%	104.91
	2018	5.000%	-0.500%	4.500%	105.52
	2019	5.500%	-0.500%	5.000%	103.88
	2020	3.250%	-0.500%	2.750% <sup>2</sup>	92.37
	2021	3.250%	-0.500%	2.750% <sup>2</sup>	90.11
	2022	4.750%	-0.500%	4.250%	90.32
<b>Current Period</b>	2023	8.500%	-0.500%	8.000%	89.91

**TABLE 3 – Option 3 – 5 Year Draw/15 Year Repayment – Interest Only**

	Year	Index	Margin <sup>1</sup>	Annual Percentage Rate	Minimum Monthly Payment
<b>Draw Period</b>	2009	3.250%	-0.250%	4.000% <sup>2</sup>	32.88
	2010	3.250%	-0.250%	4.000% <sup>2</sup>	32.88
	2011	3.250%	-0.250%	4.000% <sup>2</sup>	32.88
	2012	3.250%	-0.250%	4.000% <sup>2</sup>	32.88
	2013	3.250%	-0.250%	4.000% <sup>2</sup>	32.88
<b>Repayment Period</b>	2014	3.250%	-0.250%	4.000% <sup>2</sup>	88.44
	2015	3.250%	-0.250%	4.000% <sup>2</sup>	86.24
	2016	3.500%	-0.250%	4.000% <sup>2</sup>	84.05
	2017	4.250%	-0.250%	4.000% <sup>2</sup>	81.86
	2018	5.000%	-0.250%	4.750%	84.19
	2019	5.500%	-0.250%	5.250%	84.33
	2020	3.250%	-0.250%	3.750% <sup>2</sup>	74.05
	2021	3.250%	-0.250%	3.750% <sup>2</sup>	72.00
	2022	3.250%	-0.250%	4.500%	72.82
	2023	8.500%	-0.250%	8.250%	82.68

**TABLE 4 – Option 4 – 10 Year Draw/10 Year Repayment – Principal and Interest**

	<b>Year</b>	<b>Index</b>	<b>Margin<sup>1</sup></b>	<b>Annual Percentage Rate</b>	<b>Minimum Monthly Payment</b>
<b>Draw Period</b>	2014	3.250%	0.000%	3.500% <sup>2</sup>	112.10
	2015	3.250%	0.000%	3.500% <sup>2</sup>	109.22
	2016	3.500%	0.000%	3.500% <sup>2</sup>	106.34
	2017	4.250%	0.000%	4.250%	107.78
	2018	5.000%	0.000%	5.000%	107.99
	2019	5.500%	0.000%	5.500%	105.93
	2020	3.250%	0.000%	3.500% <sup>2</sup>	94.84
	2021	3.250%	0.000%	3.500% <sup>2</sup>	91.96
	2022	3.250%	0.000%	4.750%	91.14
	2023	8.500%	0.000%	8.500%	90.32
<b>Current Period</b>					

**TABLE 5 – Option 5 – 15 Year Draw/15 Year Repayment – Investment - Principal and Interest**

	<b>Year</b>	<b>Index</b>	<b>Margin<sup>1</sup></b>	<b>Annual Percentage Rate</b>	<b>Minimum Monthly Payment</b>
<b>Draw Period</b>	2009	3.250%	+0.500%	5.000% <sup>2</sup>	96.66
	2010	3.250%	+0.500%	5.000% <sup>2</sup>	93.92
	2011	3.250%	+0.500%	5.000% <sup>2</sup>	91.18
	2012	3.250%	+0.500%	5.000% <sup>2</sup>	88.44
	2013	3.250%	+0.500%	5.000% <sup>2</sup>	85.70
	2014	3.250%	+0.500%	5.000% <sup>2</sup>	82.96
	2015	3.250%	+0.500%	5.000% <sup>2</sup>	80.22
	2016	3.500%	+0.500%	5.000% <sup>2</sup>	77.48
	2017	4.250%	+0.500%	5.000% <sup>2</sup>	74.74
	2018	5.000%	+0.500%	5.000% <sup>2</sup>	72.00
	2019	5.500%	+0.500%	5.000% <sup>2</sup>	69.26
	2020	5.500%	+0.500%	4.500% <sup>2</sup>	65.42
	2021	3.250%	+0.500%	4.500% <sup>2</sup>	62.95
	2022	4.750%	+0.500%	5.250%	61.31
<b>Current Period</b>	2023	8.500%	+0.500%	9.000%	60.49

<sup>1</sup> This is a margin we have used recently.<sup>2</sup> Indicates lifetime floor has been reached.

# BOGOTA SAVINGS BANK

## Loan/Line Application

*Additional Borrower Contact, Appraisal Information and Subject Property Information Form*

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

### ADDITIONAL BORROWER CONTACT INFORMATION:

Applicant - Cell Phone #: \_\_\_\_\_

Applicant - Email Address: \_\_\_\_\_

Co-Applicant - Cell Phone #: \_\_\_\_\_

Co-Applicant - Email Address: \_\_\_\_\_

### CONTACT FOR APPRAISER ACCESS TO PREMISES (if applicable):

Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Best Time To Contact: \_\_\_\_\_

### Subject Property Information

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 **consent to receiving disclosures and documents via e-mail to the terms and conditions described** in the body of this document.

Applicant Email Address: \_\_\_\_\_

Co-Applclicant Email Address: \_\_\_\_\_

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Co-Applclicant 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:

<u>CREDITOR</u>	<u>ACCOUNT NUMBER</u>	<u>AMOUNT</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

\_\_\_\_\_  
Applicant Signature\_\_\_\_\_  
Applicant Signature\_\_\_\_\_  
Date



## **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](http://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*

# What you should know about home equity lines of credit



Consumer Financial  
Protection Bureau

January 2014

This booklet was initially prepared by the Board of Governors of the Federal Reserve System. The Consumer Financial Protection Bureau (CFPB) has made technical updates to the booklet to reflect new mortgage rules under Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). A larger update of this booklet is planned in the future to reflect other changes under the Dodd-Frank Act and to align with other CFPB resources and tools for consumers as part of the CFPB's broader mission to educate consumers. Consumers are encouraged to visit the CFPB's website at [consumerfinance.gov/owning-a-home](http://consumerfinance.gov/owning-a-home) to access interactive tools and resources for mortgage shoppers, which are expected to be available beginning in 2014.

# Table of contents

<b>Table of contents.....</b>	<b>3</b>
<b>1. Introduction.....</b>	<b>4</b>
1.1 Home equity plan checklist .....	4
<b>2. What is a home equity line of credit? .....</b>	<b>6</b>
2.1 What should you look for when shopping for a plan? .....	7
2.2 Costs of establishing and maintaining a home equity line .....	8
2.3 How will you repay your home equity plan? .....	9
2.4 Line of credit vs. traditional second mortgage loans .....	10
2.5 What if the lender freezes or reduces your line of credit? .....	11
<b>Appendix A: .....</b>	<b>12</b>
Defined terms .....	12
<b>Appendix B: .....</b>	<b>15</b>
More information .....	15
<b>Appendix C: .....</b>	<b>16</b>
Contact information .....	16

# 1. Introduction

If you are in the market for credit, a home equity plan is one of several options that might be right for you. Before making a decision, however, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risks. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

## 1.1 Home equity plan checklist

Ask your lender to help you fill out this worksheet.

Basic features for comparison	Plan A	Plan B
Fixed annual percentage rate	%	%
Variable annual percentage rate	%	%
<input type="checkbox"/> Index used and current value	%	%
<input type="checkbox"/> Amount of margin		
<input type="checkbox"/> Frequency of rate adjustments		
<input type="checkbox"/> Amount/length of discount (if any)		
<input type="checkbox"/> Interest rate cap and floor		
Length of plan		
Draw period		

Basic features for comparison (continued)	Plan A	Plan B
Repayment period		
Initial fees		
Appraisal fee		
Application fee		
Up-front charges, including points		
Closing costs		
Repayment terms		
During the draw period		
Interest and principal payments		
Interest-only payments		
Fully amortizing payments		
When the draw period ends		
Balloon payment?		
Renewal available?		
Refinancing of balance by lender?		

## 2. What is a home equity line of credit?

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

With a home equity line, you will be approved for a specific amount of credit. Many lenders set the credit limit on a home equity line by taking a percentage (say, 75 percent) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example:

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

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

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this “draw period,” you may be allowed to renew the credit line. If your plan

does not allow renewals, you will not be able to borrow additional money once the period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed period (the “repayment period”), for example, 10 years.

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

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

## 2.1 What should you look for when shopping for a plan?

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

### 2.1.1 Variable interest rates

Home equity lines of credit typically involve variable rather than fixed interest rates. The variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury bill rate). In such cases, the interest rate you pay for the line of credit will change, mirroring changes in the value of the index. Most lenders cite the interest rate you will pay as the value of the index at a particular time, plus a “margin,” such as 2 percentage points. Because the cost of borrowing is tied directly to the value of the index, it is important to find out which index is used, how often the value of the index changes, and how high it has risen in the past. It is also important to note the amount of the margin.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines—an “introductory” rate that is unusually low for a short period, such as six months.

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

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

## 2.2 Costs of establishing and maintaining a home equity line

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

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

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

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

## 2.3 How will you repay your home equity plan?

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

Regardless of the minimum required payment on your home equity line, you may choose to pay more, and many lenders offer a choice of payment options. However, some lenders may require you to pay special fees or penalties if you choose to pay more, so check with your lender. Many consumers choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

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

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow \$10,000 under a plan that calls for interest-only payments. At a 10 percent interest rate, your monthly payments would be \$83. If the rate rises over time to 15 percent, your monthly payments will increase to \$125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments may increase, unless your agreement calls for keeping payments the same throughout the plan period.

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

## 2.4 Line of credit vs. traditional second mortgage loans

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

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

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

### 2.4.1 Disclosures from lenders

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

When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you three days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the three-day period. The lender must

then cancel its security interest in your home and return all fees— including any application and appraisal fees—paid to open the account.

The Home Ownership and Equity Protection Act of 1994 (HOEPA) addresses certain unfair practices and establishes requirements for certain loans with high rates and fees, including certain additional disclosures. HOEPA now covers some HELOCs. You can find out more information by contacting the CFPB at the website address and phone number listed in the Contact information appendix, below.

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

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

- **Talk with your lender.** Find out what caused the lender to freeze or reduce your credit line and what, if anything, you can do to restore it. You may be able to provide additional information to restore your line of credit, such as documentation showing that your house has retained its value or that there has not been a “material change” in your financial circumstances. You may want to get copies of your credit reports (go to the CFPB’s website at [consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html](https://consumerfinance.gov/askcfpb/5/can-i-review-my-credit-report.html) for information about how to get free copies of your credit reports) to make sure all the information in them is correct. If your lender suggests getting a new appraisal, be sure you discuss appraisal firms in advance so that you know they will accept the new appraisal as valid.
- **Shop around for another line of credit.** If your lender does not want to restore your line of credit, shop around to see what other lenders have to offer. If another lender is willing to offer you a line of credit, you may be able to pay off your original line of credit and take out another one. Keep in mind, however, that you may need to pay some of the same application fees you paid for your original line of credit.

## APPENDIX A:

# Defined terms

This glossary provides general definitions for terms commonly used in the real estate market. They may have different legal meanings depending on the context.

DEFINED TERM	
<b>ANNUAL MEMBERSHIP OR MAINTENANCE FEE</b>	An annual charge for access to a financial product such as a line of credit, credit card, or account. The fee is charged regardless of whether or not the product is used.
<b>ANNUAL PERCENTAGE RATE (APR)</b>	The cost of credit, expressed as a yearly rate. For closed-end credit, such as car loans or mortgages, the APR includes the interest rate, points, broker fees, and other credit charges that the borrower is required to pay. An APR, or an equivalent rate, is not used in leasing agreements.
<b>APPLICATION FEE</b>	Fees charged when you apply for a loan or other credit. These fees may include charges for property appraisal and a credit report.
<b>BALLOON PAYMENT</b>	A large extra payment that may be charged at the end of a mortgage loan or lease.
<b>CAP (INTEREST RATE)</b>	A limit on the amount that your interest rate can increase. Two types of interest-rate caps exist. <i>Periodic adjustment caps</i> limit the interest-rate increase from one adjustment period to the next. <i>Lifetime caps</i> limit the interest-rate increase over the life of the loan. By law, all adjustable-rate mortgages have an overall cap.

**CLOSING OR  
SETTLEMENT COSTS**

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

**CREDIT LIMIT**

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

**EQUITY**

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

**INDEX**

The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index rate can increase or decrease at any time. See also Selected index rates for ARMs over an 11-year period ([consumerfinance.gov/f/201204\\_CFPB\\_ARMs-brochure.pdf](https://consumerfinance.gov/f/201204_CFPB_ARMs-brochure.pdf)) for examples of common indexes that have changed in the past.

**INTEREST RATE**

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

**MARGIN**

The number of percentage points the lender adds to the index rate to calculate the adjustable-rate-mortgage interest rate at each adjustment.

**MINIMUM PAYMENT**

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

**POINTS (ALSO  
CALLED DISCOUNT  
POINTS)**

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

---

**SECURITY INTEREST**

If stated in your credit agreement, a creditor, lessor, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement. The property that secures payment of your obligation is referred to as "collateral."

---

**TRANSACTION FEE**

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

---

**VARIABLE RATE**

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

---

## APPENDIX B:

# More information

For more information about mortgages, including home equity lines of credit, visit [consumerfinance.gov/mortgage](https://consumerfinance.gov/mortgage). For answers to questions about mortgages and other financial topics, visit [consumerfinance.gov/askcfpb](https://consumerfinance.gov/askcfpb). You may also visit the CFPB's website at [consumerfinance.gov/owning-a-home](https://consumerfinance.gov/owning-a-home) to access interactive tools and resources for mortgage shoppers, which are expected to be available beginning in 2014.

Housing counselors can be very helpful, especially for first-time home buyers or if you're having trouble paying your mortgage. The U.S. Department of Housing and Urban Development (HUD) supports housing counseling agencies throughout the country that can provide free or low-cost advice. You can search for HUD-approved housing counseling agencies in your area on the CFPB's web site at [consumerfinance.gov/find-a-housing-counselor](https://consumerfinance.gov/find-a-housing-counselor) or by calling HUD's interactive toll-free number at 800-569-4287.

The company that collects your mortgage payments is your loan servicer. This may not be the same company as your lender. If you have concerns about how your loan is being serviced or another aspect of your mortgage, you may wish to submit a complaint to the CFPB at [consumerfinance.gov/complaint](https://consumerfinance.gov/complaint) or by calling (855) 411-CFPB (2372).

When you submit a complaint to the CFPB, the CFPB will forward your complaint to the company and work to get a response. Companies have 15 days to respond to you and the CFPB. You can review the company's response and give feedback to the CFPB.

## APPENDIX C:

# Contact information

For additional information or to submit a complaint, you can contact the CFPB or one of the other federal agencies listed below, depending on the type of institution. If you are not sure which agency to contact, you can submit a complaint to the CFPB and if the CFPB determines that another agency would be better able to assist you, the CFPB will refer your complaint to that agency and let you know.

Regulatory agency	Regulated entities	Contact information
<b>Consumer Financial Protection Bureau (CFPB)</b> P.O. Box 4503 Iowa City, IA 52244	Insured depository institutions and credit unions with assets greater than \$10 billion (and their affiliates), and non-bank providers of consumer financial products and services, including mortgages, credit cards, debt collection, consumer reports, prepaid cards, private education loans, and payday lending	(855) 411-CFPB (2372) <a href="https://consumerfinance.gov">consumerfinance.gov</a> <a href="https://consumerfinance.gov/complaint">consumerfinance.gov/complaint</a>
<b>Board of Governors of the Federal Reserve System (FRB)</b> Consumer Help P.O. Box 1200 Minneapolis, MN 55480	Federally insured state-chartered bank members of the Federal Reserve System	(888) 851-1920 <a href="https://federalreserveconsumerhelp.gov">federalreserveconsumerhelp.gov</a>

Regulatory agency	Regulated entities	Contact information
<b>Office of the Comptroller of the Currency (OCC)</b> Customer Assistance Group 1301 McKinney Street Suite 3450 Houston, TX 77010	National banks and federally chartered savings banks/associations	(800) 613-6743 <a href="http://occ.treas.gov">occ.treas.gov</a> <a href="http://helpwithmybank.gov">helpwithmybank.gov</a>
<b>Federal Deposit Insurance Corporation (FDIC)</b> Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106	Federally insured state-chartered banks that are not members of the Federal Reserve System	(877) ASK-FDIC or (877) 275-3342 <a href="http://fdic.gov">fdic.gov</a> <a href="http://fdic.gov/consumers">fdic.gov/consumers</a>
<b>Federal Housing Finance Agency (FHFA) Consumer Communications</b> Constitution Center 400 7th Street, S.W. Washington, DC 20024	Fannie Mae, Freddie Mac, and the Federal Home Loan Banks	Consumer Helpline (202) 649-3811 <a href="http://fhfa.gov">fhfa.gov</a> <a href="http://fhfa.gov/Default.aspx?Page=369">fhfa.gov/Default.aspx?Page=369</a> <a href="mailto:ConsumerHelp@fhfa.gov">ConsumerHelp@fhfa.gov</a>
<b>National Credit Union Administration (NCUA)</b> Consumer Assistance 1775 Duke Street Alexandria, VA 22314	Federally chartered credit unions	(800) 755-1030 <a href="http://ncua.gov">ncua.gov</a> <a href="http://mycreditunion.gov">mycreditunion.gov</a>
<b>Federal Trade Commission (FTC)</b> Consumer Response Center 600 Pennsylvania Ave, N.W. Washington, DC 20580	Finance companies, retail stores, auto dealers, mortgage companies and other lenders, and credit bureaus	(877) FTC-HELP or (877) 382-4357 <a href="http://ftc.gov">ftc.gov</a> <a href="http://ftc.gov/bcp">ftc.gov/bcp</a>

Regulatory agency	Regulated entities	Contact information
<b>Securities and Exchange Commission (SEC)</b> Complaint Center 100 F Street, N.E. Washington, DC 20549	Brokerage firms, mutual fund companies, and investment advisers	(202) 551-6551 <a href="https://sec.gov">sec.gov</a> <a href="https://sec.gov/complaint/select.shtml">sec.gov/complaint/select.shtml</a>
<b>Farm Credit Administration Office of Congressional and Public Affairs</b> 1501 Farm Credit Drive McLean, VA 22102	Agricultural lenders	(703) 883-4056 <a href="https://fca.gov">fca.gov</a>
<b>Small Business Administration (SBA)</b> Consumer Affairs 409 3 <sup>rd</sup> Street, S.W. Washington, DC 20416	Small business lenders	(800) U-ASK-SBA or (800) 827-5722 <a href="https://sba.gov">sba.gov</a>
<b>Commodity Futures Trading Commission (CFTC)</b> 1155 21 <sup>st</sup> Street, N.W. Washington, DC 20581	Commodity brokers, commodity trading advisers, commodity pools, and introducing brokers	(866) 366-2382 <a href="https://cftc.gov/ConsumerProtection/index.htm">cftc.gov/ConsumerProtection/index.htm</a>

Regulatory agency	Regulated entities	Contact information
<b>U.S. Department of Justice (DOJ)</b> Civil Rights Division 950 Pennsylvania Ave, N.W. Housing and Civil Enforcement Section Washington DC 20530	Fair lending and housing issues	(202) 514-4713 TTY–(202) 305-1882 FAX–(202) 514-1116 To report an incident of housing discrimination: 1-800-896-7743 <a href="mailto:fairhousing@usdoj.gov">fairhousing@usdoj.gov</a>
<b>Department of Housing and Urban Development (HUD)</b> Office of Fair Housing/Equal Opportunity 451 7 <sup>th</sup> Street, S.W. Washington, DC 20410	Fair lending and housing issues	(800) 669-9777 <a href="https://hud.gov/complaints">hud.gov/complaints</a>

## 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 sharing.

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](http://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?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law.</p> <p>These measures include computer safeguards and secured files and buildings.</p>
How does Bogota Savings Bank collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"><li>◆ Pay your bills</li><li>◆ Deposit Money</li><li>◆ Apply for a loan</li><li>◆ Open an account</li><li>◆ Use your ATM or debit card</li></ul>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"><li>◆ Sharing for affiliates' everyday business purposes- information about your credit worthiness</li><li>◆ Affiliates from using your information to market to you</li><li>◆ Sharing for nonaffiliates to market to you</li></ul> <p>State laws and individual companies may give you additional information to limit sharing</p>

## 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 from 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.*