

Fixed Rate Home Equity Loan for Texas Residents

This document contains important information about our Fixed Rate Home Equity Loan.

You should read it carefully and retain a copy for your records.

Dear Member:

Thank you for requesting information on our **Fixed Rate Home Equity Loan**. Please read the following carefully.

- **Texas is a Community Property State.** Anyone on the deed, and their spouse, will be required to sign certain paperwork related to the collateral securing the loan.
- **As stated in the Texas Homestead Act, if your property is more than 10 acres, if you have an agricultural tax exemption, or if you have closed on a home equity loan within the past 365 days, we cannot offer a home equity loan to you.**
- **Program Term:** 3, 5, 7, 10, 15 or 20 years (interest rate is based on term).
- **This loan can only be secured with a primary residence or second home.** Land loans, investment properties, manufactured homes, mobile homes and homes deeded under a Trust Agreement are disqualified.
- All borrowers and co-borrowers on an APCI FCU loan are required to be a member of the Credit Union. Please note, a joint owner of a Credit Union account is not considered to be a member.
- **Maximum Loan Amount:** 80% of the appraised value minus existing mortgage(s) balance as regulated by Texas state law.
- **Interest Rate:** Fixed. Your Interest Rate is locked at time of application for a period of no longer than 60 days. If the rate drops during your 60-day period, you will automatically be relocked at the lower rate. If you close the loan with an automated payment option, you will receive a ¼% discount off our Standard Rate.
- **Fees: The borrower(s) will pay a Processing Fee of \$300** due at time of disbursement. We will pay for appraisal fees up to \$500. **Appraisal fees in excess of \$500 will be the responsibility of the borrower.** Appraisal fees are generally less than \$500.
- Minimum amount of loan is \$15,000 for terms of 15 years or less and \$25,000 for terms greater than 15 years. The maximum amount that can be borrowed is \$750,000.
- Please note: There are mandatory State and Federal waiting periods associated with a Home Equity loan in this state and cannot be closed in less than a 21-day period. Texas requires a 12-day (calendar days) waiting period after signing the **"NOTICE CONCERNING EXTENSIONS OF CREDIT"** before signing the loan documents. Funds cannot be released until the Federal required 3-day (business days) rescission has expired after signing of loan documents.
- Your mortgage will be held and serviced by APCI Federal Credit Union. We do not sell our mortgage loans.
- Your completed application authorizes us to obtain an appraisal, property report and flood search.
- If a formal appraisal is required, we will have the appraiser contact you for an appointment. We will provide you with a copy of the appraisal.
- Hazard Insurance coverage must be provided in an amount equal to the total of the Credit Union's original loan amount plus the outstanding balance of any lien or mortgage in a priority position. We will contact your insurance agent to add "APCI Federal Credit Union" as a mortgagee to your homeowner's insurance policy.

- If your property is located in a Special Flood Hazard Area as designated in the Flood Disaster Protection Act of 1973, we require that you maintain a Federal Flood Policy or suitable substitute. Flood Insurance coverage must be provided in an amount equal to the total of the Credit Union's original loan amount plus the outstanding balance of any lien or mortgage in a priority position. We will contact your insurance agent to add "APCI Federal Credit Union" as a mortgagee to your flood insurance policy.
- Your Loan Officer will contact you and ask you to schedule an appointment with a title company or attorney in your area when the home equity loan is ready for closing. We will supply the contact information at a later date. Texas State law requires that you, the co-applicant and if applicable, the owner of collateral, sign these documents in the office of a title company or attorney.
- Someone purchasing your home cannot assume the remainder of your mortgage loan with the Credit Union.

Please sign and date the attached "NOTICE CONCERNING EXTENSIONS OF CREDIT." Make a copy for yourself and mail the original.

Our Fixed Rate Home Equity Loan is a flexible and attractive product to meet your financial needs. If you have any questions, please call us at 800-821-5104.

Sincerely,

Your APCI FCU Loan Services Team

FIXED RATE HOME EQUITY: LET YOUR HOME EQUITY WORK FOR YOU!

ADVANTAGES

- Low interest rate
- Consolidate your debt and make one loan payment
- Possible tax advantages - please consult your tax advisor
- Your mortgage will be held and serviced by APCI Federal Credit Union; we do not sell our mortgage loans

CREDIT TERMS

- Minimum loan amount of \$15,000 for terms up to 15 years
- Minimum loan amount of \$25,000 for terms from 16-20 years
- Maximum loan amount of \$750,000 for all terms
- Based on 80% of appraised value less any mortgage(s) balance

REPAYMENT TERMS

- Terms up to 20 years
- Fixed payments
- Automated transfer payments are available
- No prepayment penalties

ESTIMATE YOUR AVAILABLE EQUITY

- To find out how much you may be eligible to borrow, complete the calculation below:

Estimated Value of Your Home		
	X 80%	
Less mortgages, judgments, or liens		
(Lendable) EQUITY =	\$	

