Northwest Community Bank

Home Equity Credit Application

When your home is on the line

Click Here

Important Terms of our Home Equity Line of Credit

This disclosure contains important information about our Home Equity Line of Credit Account. (For definitions of some of the terms used see paragraph 13 below.) You should read this disclosure carefully and keep a copy for your records.

1. **Availability of Terms**: All of the terms described below are subject to change by us. If any of these terms change (other than the annual percentage rate) and you decide, as a result, not to enter into the agreement with us, you are entitled to a refund of any fees you paid to us or anyone else in connection with your application.

2. **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.

3. **Actions We Can Take With Respect To Your Account**:
(a) We can terminate your account, and require you to pay us the entire outstanding balance in one payment, ("*accelerate*") 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.

Each of the above events is called an "*event of default*."

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

· The value of your home 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 or an "*event of default*" is occurring.
· Government action prevents us from imposing the annual percentage rate provided for in the greement, or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
· Our regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
· The maximum annual percentage rate is reached.

(c) The initial agreement also permits us to make certain changes to the terms of the agreement at specified times or upon the occurrence of specified events.

4. **Minimum Payment Requirements**: You can obtain credit advances for nine (9) years. During this period, payments will be due monthly. The minimum payment each month will equal interest for that monthly billing cycle plus any Membership Fees and Late Payment Fees shown on the bill, plus past due amounts from prior monthly billing cycles.

This minimum payment will not reduce the outstanding principal balance of loan advances on your line. Thus, if you only make the minimum payment each month, at the end of the loan, you will be required to pay a single lump sum ("balloon") payment for the entire balance of the account.

5. **Minimum Payment Example**: If you make only the minimum payments and took no other advances, it would take nine (9) years to pay off an advance of $10,000.00 at an **ANNUAL PERCENTAGE RATE** of 8.00%. During this period, you would make 107 monthly payments of $67.94 (estimated) followed by one final balloon payment of $10,067.94 (estimated).

6. (a) **Our Fees and Charges**: In order to maintain an account, you must pay us an annual membership fee of $35.00 each year. If you terminate the home equity line of credit within 2 years of the date of the note, you agree to pay us a cancellation fee of $250.00.

(b) **Fees to Third Parties**. You will also have to pay a fee or fees to third parties to open the account. Let us itemize them. (All of these disclosures are based on our good faith estimates as of the time we wrote this and actual costs, if any, may differ.)

(i) **Lawyer's Fees**: If there are legal problems with the title, or circumstances which raise legal issues, or for any account with a credit limit over $100,000.00, we can (at our discretion) require the assistance of a lawyer to prepare the documents and close the transaction. In such a case, you may have to pay a lawyer's fee. We estimate that this fee will cost approximately $350.00 (this fee can range from $250.00 to $475.00)

(ii) **Recording Fees**: You will also be charged the recording fees imposed by the town clerk. We estimate that this fee will cost approximately $28.00 (this fee can range from $28.00 to $48.00).

(iii) **Appraisal:** If the credit limit on your account (plus any indebtedness secured by prior liens or mortgages) is in excess of $100,000.00, you will be charged an appraisal fee. We estimate that this fee will equal approximately $250.00 (the fee can range from $250.00 to $600.00).

(iv) **Flood Zone Services**: You will have to pay for a company to determine whether or not your home is located in a special flood hazard zone. This determination is required by law. You will also have to pay for so-called life-of-loan coverage to keep us updated on the flood zone status of your home. The total fee for both services is $16.00.

(v) **Title Insurance**: If there are questions or problems with regard to the title to your home, or if the credit limit on your account (plus any indebtedness secured by prior liens or mortgages) is over $100,000.00, we may, at our discretion, require you to pay for title insurance. We estimate that the fee for title insurance will equal approximately $4.00 per $1,000.00 of coverage (thus, for example, title insurance could equal $400.00 for $100,000.00 of coverage). When we obtain title insurance, we require coverage equal to the credit limit.

(vi) **Title Exam**: If the credit limit on your account (plus any indebtedness secured by prior liens or mortgages) is $100,000.00 or less, we will require you to pay $50.00 for a title exam.

We also require that you pay for and maintain hazard insurance on your home. All such third party fees (excluding hazard insurance) can range in total from $600.00 to $1,535.00 (assuming a $100,000.00 title insurance policy).

Please note, however, that if your application is approved and you open an account with us, the charges for the appraisal, flood zone services, and title exam (as applicable) will be rebated to you.

7. **Minimum Draw Requirement**. The minimum loan advance that you can receive is $500.00.

8. **Tax Deductibility**. You should consult a tax advisor regarding the deductibility of interest and charges under the plan.

9. **Variable-Rate Feature**: The plan 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 not other costs.

The annual percentage rate is based on the value of an index. The index is the rate published in the *Wall Street Journal*, Eastern Edition, under the heading "Money Rates" and shown as "*prime rate*" or "*base rate*" on "*corporate loans posted by at least 75% of the nation's 30 largest banks*," or similar language used by the *Journal* for that index. If more than one rate is shown, we use the highest. To determine the annual percentage rate that will apply to your account, we add a margin to this value of the index.

Ask us for the current index value, margin and annual percentage rate. After you open an account, rate information will be provided on periodic statements that we send you.

10**.** **Rate Changes**: The annual percentage rate can change monthly. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the plan is 5% "*the floor*". The maximum **ANNUAL PERCENTAGE RATE** that can apply during the plan is 18% "*lifetime cap"*. Apart from "*the floor*" and "lifetime cap", there is no limit on the amount by which the rate can change during any one-year period.

11. **Minimum Rate and Payment Example.** If you had an outstanding balance of $10,000, the initial minimum monthly payment would be $41.10 (estimated) at the minimum **ANNUAL PERCENTAGE RATE** OF 5%. This annual percentage rate could be reached during the first month of the plan.

12**.** **Maximum Rate and Payment Example**. If you had an outstanding balance of $10,000.00, the initial minimum monthly payment would be $152.88 (estimated) at the maximum **ANNUAL PERCENTAGE RATE** of 18%. This annual percentage rate could be reached during the first month of the plan.

13**.** **Historical Example**: The following table shows how the annual percentage rate and minimum monthly payments for a single $10,000.00 advance would have changed based on changes in the index over the last fifteen (15) years. The index values are from the *Wall Street Journal* most recently published as of the last business day of July of each year. While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional loan 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.

Year	Index %	Margin(a) %	ANNUAL PERCENTAGE RATE	Minimum Monthly Payment $
1990	10.00	-.50	9.50	78.08
1991	8.50	-.50	8.00	69.75
1992	6.50	-.50	6.00	49.32
1993	6.00	-.50	5.50	45.21
1994	7.25	-.50	6.75	55.48
1995	9.00	-.50	8.50	69.86
1996	8.50	-.50	8.00	65.75
1997	8.25	-.50	8.25	67.81
1998	8.50	-.50	8.50	69.86
1999	8.00	.00	8.00	
2000	8.00	.00	8.00	
2001	6.75	.00	6.75	
2002	4.75	.00	4.75	
2003	4.00	.00	4.00	
2004	4.25	.00	4.25	

(a) This is a margin we have used recently
(b) This rate reflects the lifetime interest rate cap

14. **Definitions**: "We", "us", and "our" refer to Northwest Community Bank, 86 Main Street, P.O. Box 1019, Winsted, Connecticut 06098. "You" and "your" refer to each person who signs the "agreement." The "agreement" is the document that creates the line of credit. The "mortgage deed" is the document, signed by those who own the home, which gives us the mortgage on your home. "Your home" refers to the dwelling securing the line without regard to who owns it or whether or not it is your principal dwelling.

NORTHWEST COMMUNITY BANK CONSUMER APPLICATION

Northwest Community Bank

LOAN NUMBER		APP. NUMBER
		C.T.

Check accounts desired and complete as indicated.

- [ ] Individual
- [ ] Joint
- [ ] Installment Loans
- [ ] Check Credit
- [ ] Equity Loan
- [ ] Home Improvement

Amount Requested: ____________________

Loan Purpose: ____________________

Insurance: [ ] Yes [ ] No

A. FIRST APPLICANT

NAME (FIRST, MIDDLE, LAST)				EMPLOYER		If self-employed, submit the last two years of Federal Income Tax Returns and a current Financial Statement.
SOCIAL SECURITY NUMBER – –			NO. OF DEPENDENTS	EMPLOYER'S ADDRESS		
PRESENT ADDRESS (STREET & APT. NO)				CITY / STATE / ZIP CODE		
CITY	STATE	ZIP CODE	HOW LONG	POSITION	HOW LONG	GROSS MONTHLY SALARY $
HOME PHONE & AREA CODE	BUSINESS PHONE & AREA CODE		DATE OF BIRTH	PREVIOUS EMPLOYER		PHONE
PREVIOUS ADDRESS (STREET & APT. NO)				PREVIOUS EMPLOYER'S ADDRESS		
CITY	STATE	ZIP CODE	HOW LONG	POSITION	HOW LONG	GROSS MONTHLY SALARY $
NAME OF NEAREST RELATIVE		RELATIONSHIP		OTHER INCOME: Alimony, child support or separate maintenance income need not be disclosed if it is not being relied on to obtain this credit.		
ADDRESS OF NEAREST RELATIVE				MONTHLY AMOUNT $	NATURE OF INCOME	

B. SECOND APPLICANT

NAME (FIRST, MIDDLE, LAST)				EMPLOYER		If self-employed, submit the last two years of Federal Income Tax Returns and a current Financial Statement.
SOCIAL SECURITY NUMBER – –			NO. OF DEPENDENTS	EMPLOYER'S ADDRESS		
PRESENT ADDRESS (STREET & APT. NO)				CITY / STATE / ZIP CODE		
CITY	STATE	ZIP CODE	HOW LONG	POSITION	HOW LONG	GROSS MONTHLY SALARY $
HOME PHONE & AREA CODE	BUSINESS PHONE & AREA CODE		DATE OF BIRTH	PREVIOUS EMPLOYER		PHONE
PREVIOUS ADDRESS (STREET & APT. NO)				PREVIOUS EMPLOYER'S ADDRESS		
CITY	STATE	ZIP CODE	HOW LONG	POSITION	HOW LONG	GROSS MONTHLY SALARY $
NAME OF NEAREST RELATIVE		RELATIONSHIP		OTHER INCOME: Alimony, child support or separate maintenance income need not be disclosed if it is not being relied on to obtain this credit.		
ADDRESS OF NEAREST RELATIVE				MONTHLY AMOUNT $	NATURE OF INCOME	

C. REFERENCES **List all banks, stores, charge cards, etc. where you have accounts. Loans that you have paid in full may be included, if you choose.**

TYPE OF ACCOUNT	ACCOUNT WITH	CITY	ACCOUNT NUMBER	BALANCE	MONTHLY PAYMENT
				$	$
				$	$
				$	$
				$	$
				$	$
				$	$
	ANNUAL REAL ESTATE TAXES $		ANNUAL HOUSE INSURANCE $		

Do you have any obligations for alimony, child support or maintenance) (If yes, show monthly payment.) [ ] No [ ] Yes $ FOR

D. CREDIT HISTORY These questions apply to all applicants.

	APPLICANT		CO-APPLICANT	
Have you had any judgements or liens against you?	Yes	No	Yes	No
Have you been declared bankrupt within the past 7 years?	Yes	No	Yes	No
Have you had any property foreclosed upon or given title or deed in lieu thereof?	Yes	No	Yes	No
Are you a co-maker or endorser on any notes or contracts?	Yes	No	Yes	No

E. SECURED CREDIT Complete this section if loan is to be secured.

First Applicant	Married	Unmarried (includes single, divorced and widowed)	Separated
Second Applicant	Married	Unmarried (includes single, divorced and widowed)	Separated

COLLATERAL/TYPE	YEAR	MAKE	MODEL	SERIAL NO.	MILEAGE

IS PROPERTY PRESENTLY SUBJECT TO DEBT?	Yes No	IF YES: LIENHOLDER NAME AND ADDRESS	
ARE PROCEEDS FOR THE PURCHASE OF THE COLLATERAL?	Yes No	SELLER'S NAME	SELLER'S PHONE NO.
IS TITLE TO COLLATERAL BY "CERTIFICATE OF TITLE"?	Yes No	APPLICANT'S DRIVER'S LICENSE NO.	CO-APPLICANT'S DRIVERS LICENSE NO.

INSURANCE ON COLLATERAL	INSURANCE AGENT/COMPANY	PHONE NUMBER	POLICY NUMBER

F. COMPLETE THE FOLLOWING FOR EQUITY AND HOME IMPROVEMENT LOANS

YEAR PROPERTY PURCHASED	ORIGINAL COST	MARKET VALUE	PROPERTY TAX VALUE	YEAR BUILT	NO. OF UNITS

PROPERTY ADDRESS	CITY	COUNTY	STATE

LEGAL DESCRIPTION:	ABSTRACT PROPERTY

G. COMPLETE THIS SECTION FOR HOME IMPROVEMENT LOANS

DESCRIBE EACH IMPROVEMENT PLANNED	NAME AND ADDRESS OF CONTRACTOR/DEALER	ESTIMATED COST
1.		$
2.		$
3.		$

J. SIGNATURES

Everything I have stated in this application, both above and on page 1, is correct to the best of my knowledge. I understand that I will retain this application whether or not it is approved. You are authorized to check my credit and employment history and to answer questions about your credit experience with me.

X______________________ FIRST APPLICANT ____________ DATE

X______________________ SECOND APPLICANT ____________ DATE

FOR BANK USE ONLY

SALES PRICE ____	AMOUNT REQUESTED ____	ANNUAL PERCENTAGE RATE ____
DOWN PAYMENT ____	CREDIT LIFE- IND JT ____	TERM OF LOAN ____
AMT. REQUESTED ____	A&H- IND JT ____	MONTHLY PAYMENT ____
% OF LOAN TO VALUE ____	AMOUNT FINANCED ____	COMMENCING ON ____
A.L.P. ____	FINANCE CHARGE ____	MAJOR TYPE ____
P.C.S. ____ COUPON ____	TOTAL OF PAYMENTS ____	EXPANDED TYPE ____

OFFICER COMMENTS: ____

APPROVED BY: ____ DATE ____ REVIEWED BY: ____ DATE: ____

APPLICATION ADDENDUM

APPLICATION # **LOAN AMOUNT: $**
APPLICANT 1: **RATE:**
APPLICANT 2: **TERM:**

LIABILITIES (CONT.)

CREDITOR NAME	ACCOUNT NUMBER/TYPE OF ACCOUNT	CUR BALANCE	MONTHLY PAYMT
NO ADDITIONAL DEBTS LISTED			
	TOTAL		

DEPOSIT ACCOUNTS

HOLDER NAME	ACCOUNT NUMBER/TYPE OF ACCT	CUR BALANCE
Hartford Healthcare Credi		
	TOTAL	

REAL ESTATE OWNED

PROPERTY ADDRESS	MKT VALUE/TYPE PROP/OWNER(S)	MTG & LIENS	GROSS RENT	MONTHLY PITI
TOTAL				

TOTAL

OTHER ASSETS (BOR 1 AND 2)

	DESCRIPTION BOR 1	DESCRIPTION BOR 2	COMB. VALUE
INVESTMENTS			
INSURANCE			
RETIREMENT FUND			
BUSINESS			
AUTO I			
AUTO II			
FURNITURE AND PERS PROP			
OTHER I			
OTHER II			
		TOTAL	

DECLARATIONS

IF THE ANSWER TO ANY QUESTION IN PART D, CREDIT HISTORY, IS "YES" PLEASE EXPLAIN.

APPLICANT 1, PLEASE EXPLAIN: ______________________________

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APPLICANT 2, PLEASE EXPLAIN: ______________________________

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NOTES:

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