

Book 2
Taking the Loan Application



THE FUNDAMENTALS OF THE MORTGAGE PROCESS



Introduction

It all starts with the dream of owning a home. Consumers will often turn to you, the loan originator, for help turning that dream into a reality.

Consumers look to you, a member of the mortgage industry, for expertise and guidance as they navigate the mortgage process. But where can you go for guidance?

At MGIC, we know how many steps, people, processes and rules are involved in the whole Mortgage Cycle. And we know that in today's constantly evolving and heavily regulated market, it's more important than ever to stay on top of changes. That's why we prepared this program: *The Fundamentals of the Mortgage Process*.

Fundamentals breaks down the main components of the mortgage process, and explores and explains each piece. We'll walk you through everything from loan origination and closing to servicing and selling. You'll also learn how The 4 Cs of the mortgage industry – Credit, Capacity, Capital and Collateral – can help determine whether a consumer will be a successful homeowner.

Once you have completed this course, you can better position yourself as an expert to your customers. You'll have the preparation and confidence to successfully:

- Explain to consumers how The Four Cs will affect their ability to purchase and own a home
- Preapprove and prequalify consumers
- Help consumers understand their loan options
- Guide consumers through the loan application process
- Process loans in order to make faster, prudent underwriting decisions

The mortgage business is a risk-based business. But the more you know and understand about the process, the more you can help minimize that risk for your company and your customers – and the more it will increase your success as a mortgage professional. We've put all the information you need in a convenient, easy-to-read package.

If you have questions about any of the information presented in *The Fundamentals of the Mortgage Process*, please contact your MGIC account representative, mgic.com/contact.

Symbol Key

We use the following icons throughout the *Fundamentals* program to highlight details, tips and shortcuts that will help you better understand the mortgage cycle.



Dictionary: Industry jargon and acronyms explained



File It: Important documents you must include in the loan file



Take Note: Information, shortcuts or exercises that can make your job easier



Checkpoint: Helpful review points to help you ensure you've got everything you need to complete the loan file



Check This Out: Information about MGIC resources relative to the topic at hand



Book 1
Understanding
the Mortgage Cycle



Book 2
Taking the Loan
Application



Book 3
Processing the
Loan



Book 4
Evaluating Credit,
Capacity, Capital
and Collateral



Book 5
Understanding
How Mortgage
Insurance Works

BOOK 2

Taking the Loan Application

The materials included in this publication are intended for general information only. This publication is not intended to be complete or all-inclusive regarding the matters discussed herein, and nothing contained in this publication is intended to be, or should be relied upon as legal, accounting, compliance or other professional advice. Consequently, this publication should not be used as the basis for specific action without obtaining the advice of knowledgeable and experienced professionals.

Although we believe the information set forth in this publication is generally accurate, the information may be outdated due to the rapidly changing nature of the residential mortgage industry, and we do not warrant the accuracy, reliability or completeness of any information contained in this publication.

The information in this publication is culled from a variety of business and mortgage industry sources. Attribution is given where deemed necessary. Opinions and insights expressed herein do not necessarily represent our views.

This publication is intended for the sole internal use of the recipient and may not be reproduced, in whole or in part, or stored in any electronic or retrieval system, or transmitted in any form or by any means, without our prior written consent.

© 2020 Mortgage Guaranty Insurance Corporation. All rights reserved.

Desktop Underwriter® and DU® are registered trademarks of Fannie Mae; Loan Product Advisor® is a registered trademark of Freddie Mac.

Table of Contents

Loan Types and Programs	2
Helping Borrowers Understand Their Loan Options	2
Loan Program Characteristics	3
Important Terms and Considerations of ARMs	4
The Loan App	5
Qualifying with Quality in Mind	5
A Little Background on the Loan App	6
Completing the Loan App	6
URLA	8
URLA — Additional Borrower	34
URLA — Lender Loan Information	42
URLA — Unmarried Addendum	48
URLA — Continuation Sheet	50
Appendices	52
Appendix A: Loan File Checklist	53
Appendix B: The 8 Stages of the Mortgage Cycle	54

Loan Types and Programs

Your borrowers have found a home, and they've come to you for financing. That brings us all to the first stage in the Mortgage Cycle, Origination (see page 54).

The first step in the origination process is helping borrowers select the best loan for their circumstance.

At the end of this section, you will be able to:

- Distinguish the difference between loan types
- List factors to determine the best loan program for your borrowers
- Discuss important terms and considerations relative to adjustable-rate mortgages (ARMs)

Throughout this book:

- The term "you" refers to a mortgage professional, loan officer, loan originator, underwriter or processor
- "Borrowers" refers to both multiple borrowers or a single borrower

Helping Borrowers Understand Their Loan Options

There are no shortcuts to homeownership, for either mortgage professionals or borrowers.

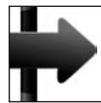
As a mortgage professional, you can make a real difference to borrowers and their success as homeowners. By becoming familiar with the various loan types and programs, you can create different loan scenarios for them and help identify the best mortgage financing option.

Once borrowers understand their options, along with the benefits and drawbacks, they can make an educated decision. As you guide borrowers to a thoughtful choice, they will begin to see you as a Trusted Advisor.

Loan Types

Conventional loans are NOT insured or guaranteed by the federal government. They fall into 2 categories:

- **Conforming loans** meet all requirements to be eligible for purchase or securitization by an investor, such as Fannie Mae or Freddie Mac
- **Nonconforming loans** feature some aspect – loan amount, loan-to-value (LTV) ratio, term, etc. – that exceeds investor limits. A jumbo loan – one that exceeds Fannie Mae/Freddie Mac's maximum loan amount limit – is an example of a nonconforming loan



Conventional loans with a down payment less than 20% require private mortgage insurance, also called "PMI" or "MI." MI provides protection that allows lenders to make more loans with high LTVs and require less money down.

Government loans are either insured or guaranteed by a federal government agency such as the Federal Housing Administration (FHA), US Department of Veterans Affairs (VA) or the US Department of Agriculture Rural Development (USDA-RD).

For our purposes, we'll focus on conventional loans.

Loan Program Characteristics

In addition to loan types, loans are further categorized into loan programs.

As a mortgage professional, familiarity with unique details of the programs your company offers is essential. In the following table, we've highlighted characteristics of the most commonly offered loan programs.

To help determine the best loan program for your borrowers, consider the following:

How important is payment certainty? If knowing their principal and interest (P & I) payment will be the same every month is important, borrowers may want to consider a fixed-rate mortgage.

How important is rapid equity buildup? If building home equity fast is a factor, borrowers may want to consider a shorter amortization period, such as a 15-year, fixed-rate mortgage.

Do the borrowers anticipate increasing income? They may want to take advantage of a lower initial interest rate on an ARM or a temporary buydown – expecting their income increase to offset any increase in their mortgage payment.

Other factors to consider include:

- The borrowers' ability to qualify at market rates for the loan amount selected
- How long they plan to live in the home they're purchasing
- Where market rates stand – high versus low
- The possibility of significant changes in interest rates
- Up-front costs, such as application or processing fees

Loan Program	Characteristics
15- and 30-Year Fixed-Rate Mortgages	<ul style="list-style-type: none"> • The interest rate does not change • Principal and interest (P & I) payments do not change • These loans fully amortize over a defined period of time and are paid in full at the end of the loan term • Fixed-rate mortgages are the most popular mortgage • Different loan terms are available (15- and 30-year terms are the most common) • The shorter the term, the faster borrowers are able to build equity and pay off the loan
Balloons	<ul style="list-style-type: none"> • The P & I payment and interest rate do not change • The borrowers make regular monthly P & I payments based on a 30-year amortization, while the unpaid balance (balloon) is due at the end of a shorter, predetermined term, typically 5, 7 or 10 years • The interest rate is typically less than those for fixed-rate loans • Most borrowers anticipate refinancing or selling prior to the end of the balloon term
Temporary Buydowns	<ul style="list-style-type: none"> • The borrowers or seller may pay a percentage to temporarily "buy down," or decrease, the interest rate • The decreased interest rate reduces the monthly payment • The interest rate/payment is typically reduced for 1, 2 or 3 years
Interest-Only Mortgages	<ul style="list-style-type: none"> • There are no reductions to the principal amount • There is no provision for negative amortization • Payments may increase up to an amortized amount, but the loan balance itself does not increase • Generally, interest-only payments are limited to the first 5, 10 or 15 years of the loan. After that, the loan is amortized for the remainder of its term
Adjustable-Rate Mortgages (ARMs)	<ul style="list-style-type: none"> • There is potential for the interest rate/payment to fluctuate • ARMs transfer to borrowers a portion of the risk associated with a changing economy and help lenders cover the cost of lending • In exchange for sharing the risk, ARMs offer borrowers substantially lower initial interest rates than those for fixed-rate mortgages • The lower initial interest rate reduces the monthly payment

Important Terms and Considerations of ARMs

Adjustment Period:

- It's the interval between potential interest rate adjustments
- You may see an ARM described as a 3/1 ARM, 5/1 ARM or 3/3 ARM. The first number reflects the initial fixed period during which the interest rate will not change. The second number reflects how often adjustments can be made to the rate after the initial fixed period

Adjustment Cap:

- It limits interest rate/payment increases
- It's usually based on a dollar amount or a percentage – most commonly 1% or 2% per year and 5% to 6% over the life of the loan

Index:

- It determines increases or decreases to an ARM's interest rate
- It's based on published, independent indices, such as Treasury Bills (T-Bills)
- It reflects the current cost of money

Margin:

- It represents the lender's cost of doing business, typically 2% or 3%
- The lender adds the margin to the index to compute ARM interest rates
- Once set, it does not change over the life of the loan

Negative Amortization:

- It occurs when interest rate adjustments, in combination with payment caps, don't cover monthly interest due
- It adds unpaid interest to the principal balance, increasing the total amount due
- Generally, it's not an option offered in today's market

Example: 3/1 T-Bill ARM with 2%/6% caps

Adjustment Period:

- The initial fixed period is 3 years, during which the interest rate will not change. The adjustment period is 1 year, meaning the rate will be adjusted annually for the life of the loan

Adjustment Caps:

- Each annual adjustment is capped at a 2% interest rate increase from the prior interest rate
- The maximum lifetime interest rate cap over the initial interest rate is 6%

Index:

- In this example, increases or decreases to the 1-year T-Bill index will determine interest rate adjustments

Margin:

- The margin will be based on the lender's cost of doing business, typically 2% or 3%. Lenders add this amount to the index to compute the ARM interest rate

The Loan App

Once you've landed on the best loan program for your borrowers, you're ready to take the next step in the origination process, completing their application for mortgage financing.

The loan application, commonly called "the Loan App" – is the framework for your borrowers' mortgage loan file. It guides you to the information you need to determine whether they are worthy candidates for a mortgage, based on 4 critical areas of mortgage risk – Credit, Capacity, Capital and Collateral – called "The 4 Cs."

We'll walk through the Loan App, discuss how it relates to The 4 Cs and highlight information you need to know in order to arrive at an informed, prudent decision.

At the end of this section, you will understand:

- How The 4 Cs apply to the loan process and the borrowers' financial standing
- How the Loan App is constructed and which components you need to complete
- The importance of good communication with your borrowers to avoid potential delays and obstacles involved in finishing the Loan App
- The information and supporting documentation requested on the Loan App
- Where to add more detail as necessary to create a thorough profile of the borrowers' financial standing

Qualifying with Quality in Mind

As mortgage professionals, our shared goal is to qualify as many borrowers as possible without compromising the assets of the lender or the investor and, above all, without compromising the borrowers' ability to successfully maintain homeownership.

Generally, the principles of the mortgage industry's Four Cs apply: The borrowers' Credit, Capacity, Capital and Collateral are represented in the information on their Loan App and in the documentation you gather to measure, support and substantiate their financial standing and the property's value.

The presence of a high-risk factor in any one of these categories doesn't necessarily threaten successful homeownership. But when a number of interrelated high-risk characteristics are present without sufficient offsets or compensating factors, their cumulative effect increases the likelihood of default.



The 4 Cs

Credit: The borrowers' willingness to repay the loan based on their prior use of credit

Capacity: The borrowers' ability to repay based on the amount and stability of their income

Capital: The borrowers' investment in the property from savings and other sources

Collateral: Whether the property's value and marketability provide adequate security for the loan

We need to measure how the borrowers' loan file stacks up against The 4 Cs in order to make a thoughtful, prudent decision to approve or deny a loan or to suspend it for additional information.

A Little Background on the Loan App

The Loan App document, officially called the Uniform Residential Loan Application (URLA), is published jointly by Fannie Mae and Freddie Mac. Fannie Mae calls it Form 1003 (pronounced **ten - oh - three**); Freddie Mac, Form 65. It's a standardized document that's been in use for more than 20 years in all US states and territories. The Loan App received a complete makeover, effective January 2021.

There are several components to the Loan App. The information you need to collect will depend on the number of borrowers, their marital status and amount of information needed to complete the Loan App. While borrowers can complete some of the form themselves, it may be your company's policy to complete the actual document while guiding them through the form during a phone, web or in-person interview.

The Loan App comprises the following components:

- **URLA:** Collects the borrower's personal, income and financial information for consideration for qualifying and also information pertaining to the loan and the property
- **URLA — Additional Borrower:** Collects information for additional borrowers whose income and financial information is under consideration for qualifying
- **URLA — Lender Loan Information:** Collects details about the loan transaction
- **URLA — Unmarried Addendum:** Collects information for borrowers who select *Unmarried* on the URLA and/or URLA — Additional Borrower forms
- **URLA — Continuation Sheet:** Provides space for additional information



As of publication of this book:

- The GSEs were in the process of developing a Voluntary Consumer Information Form (VCIF) to collect language preferences from the borrower
- The VCIF will be voluntary for lenders to use (all or in part) at their discretion
- There is no release date for the VCIF

Completing the Loan App

On the following pages, you can explore all the components of the Loan App. The example we provide focuses on the URLA, the URLA — Additional Borrower and URLA — Lender Loan Information components.

Using the URLA and URLA — Additional Borrower Components Together

These components are often used together to collect information for 2 or more borrowers who:

- Have joint assets, liabilities and/or real estate information or
- Do not have joint information but wish to combine their information on the URLA

The URLA — Additional Borrower form was designed to provide shortcuts where the borrowers' information is being combined. The table on the following page identifies the sections where these shortcuts occur.

Use separate URLAs to collect information for 2 borrowers who have:

- Joint financial information, but are not collaborating to complete the Loan App (duplicate joint assets, liabilities and real estate on the individual URLAs) or
- Separate financial information

In cases where there are 3 or more borrowers, complete any combination of the URLA and the URLA — Additional Borrower as explained above.

URLA Sections	URLA	URLA — Additional Borrower
Section 1. Borrower Information: Collects personal, income and employment information	✓	✓
Section 2. Financial Information – Assets and Liabilities: Collects information about the borrowers' financial assets, personal financial obligations and debts	✓	Additional borrowers only need to indicate their information is on the URLA.
Section 3. Financial Information – Real Estate: Collects information about property the borrowers own and the related debts and expenses	✓	Additional borrowers only need to indicate their information is on the URLA.
Section 4. Loan and Property Information: Collects information about the loan purpose and the property the borrowers are purchasing/refinancing	✓	Additional borrowers only need to indicate their information is on the URLA.
Section 5. Declarations: Collects answers to questions about the property, its financing and the borrowers' financial history	✓	✓
Section 6. Acknowledgments and Agreements: Informs borrowers of their legal obligations related to the mortgage application and asks they acknowledge certain information will be obtained, used and shared; and collects the borrowers' signatures	✓	Additional borrowers only need to indicate their information is on the URLA.
Section 7. Military Service: Collects information about the borrowers' or a deceased spouse's military service	✓	✓
Section 8. Demographic Information: Collects information regarding ethnicity, sex and race the lender is required by law to ask borrowers	✓	✓
Section 9. Loan Originator Information: Collects information about the loan originator	✓	✓

Quality Information is Paramount

The quality of the information your borrowers provide on the Loan App can make or break a closing date or, even worse, the whole transaction. Thorough, accurate information throughout the homebuying process is the quickest way to move your borrowers into their new home.

Keeping an open dialogue with borrowers helps you obtain the information you'll need for a complete Loan App. By keeping the lines of communication open, it will be easier for you to gather the information you need when you need it.

When you interview borrowers, asking the right questions can have a significant impact on the quality of the information you receive.

Below are examples of questions you will want to ask borrowers to ensure a complete Loan App.

- *How do you pay your rent – cash, check, money order? Do you have access to copies of the cancelled checks or money orders?*
- *Are you aware of any credit problems that you may have? If so, when did they occur?*
- *Do you have any student loans? If yes, are they current or in deferment?*
- *What funds will you be using for the down payment – checking, savings, stocks?*
- *If divorced, do you have a copy of a divorce decree showing the amount of monthly obligations owed or monthly support that is due to you?*

Individual mortgage companies establish their own level of detail required to complete the Loan App. For example, a company that uses an automated underwriting system (AUS) may require less data. Once the Loan App is run through the AUS, the system's feedback report serves as a guide for any additional information and documents you may need to gather.

Regardless of the methodology used, understanding each section of the Loan App and how to best complete it is key to ultimately making an informed lending decision.

URLA

The URLA collects borrowers' personal information as well as:

- Income and financial details considered for loan qualification
- Information pertaining to the loan and the property

Note: Before you dive into the form, provide the Lender Loan Number/ Universal Loan Identifier and Agency Case Number information requested at the very top of the form along with the borrower's name at the bottom of the pages.

Section 1: Borrower Information

We can't overstate the importance of this section. It will guide your evaluation of borrowers' Credit and Capacity components of The 4 Cs.



In the sample URLA on the following pages, we have not included instructions for self-explanatory fields.

1a. Personal Information

In this section, you'll need complete, accurate information to order a credit report, key to building a risk profile. Once it's built, you'll be able to assess your borrowers' willingness to repay the loan based on their prior use of credit.

- 1 Type of Credit/List Name(s) of Other Borrowers:** Indicate whether the borrower is applying for individual credit or joint credit. If joint credit, provide the total number of borrowers and their names; collect the borrower's initials.
- 2 Marital Status/Dependents:** Indicate whether the borrower is married, separated or unmarried. If unmarried and applying for individual credit, complete and submit the URLA — Unmarried Addendum (see page 48), if applicable. In this section, also list the number and ages of any dependents not listed by another borrower. Check individual investors' definition of dependents.
- 3 Current Address:** Enter the borrower's present address and length of occupancy and indicate present housing status:
 - **No primary housing expense:** Select if borrowers are not obligated to pay rent OR do not own the home where they live. For example, they live with relatives and are under no obligation to pay monthly rent
 - **Own:** Select if borrowers own the home they live in, even if there are no mortgage liens or home equity loans on the property
 - **Rent:** Select if borrowers are currently renting at the address listed; enter the monthly rent payment

- 4 If at Current Address for LESS than 2 years, list Former Address:** If applicable, provide a previous address. (As with Current Address, indicate the borrower's housing status.) Otherwise, leave these fields blank and select *Does not apply*.

- **Mailing Address – if different from Current Address:** If applicable, provide a mailing address; otherwise, leave these fields blank and select *Does not apply*

In Sections 1b, 1c, 1d and 1e, we begin to measure the borrowers' Capacity – their ability to repay the mortgage as it relates to income. This information will provide valuable insight into the borrowers' ability to manage the new mortgage payment as well as their current debts.



Beware of any gaps in employment history. Do they require explanation? Refer to investor guidelines for gap explanations.

1b. Current Employment/Self-Employment and Income

Complete this section for each job, self-owned business or self-employment from which the borrowers receive income and would like to use toward qualifying for their loan. For borrowers who do not have a job, do not own a business or are not self-employed, select *Does not apply*.

- 5 Employer or Business Name:** Enter the name, address and main phone number of each employer or business owned. If the borrower is self-employed and does not operate under a business name, enter the borrower's name.
- 6 Position or Title/Start Date:** Provide the borrower's employment details.
- 7 Check if this statement applies:** If applicable, indicate that the borrower is employed by a party to the transaction.

To be completed by the Lender:

Lender Loan No./Universal Loan Identifier 12345

Agency Case No.

Uniform Residential Loan Application

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

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix) Peter Simon	Social Security Number XXX - XX - 2030 (or Individual Taxpayer Identification Number)
Alternate Names – List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix)	Date of Birth (mm/dd/yyyy) 03 / 06 / 1970
	Citizenship <input checked="" type="radio"/> U.S. Citizen <input type="radio"/> Permanent Resident Alien <input type="radio"/> Non-Permanent Resident Alien

1 Type of Credit

I am applying for **individual credit**.

I am applying for **joint credit**. Total Number of Borrowers: 2
Each Borrower intends to apply for joint credit. **Your initials:** ps

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

2 Marital Status

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

Dependents (not listed by another Borrower)
 Number 1
 Ages 12

Contact Information

Home Phone (713) 438 - XXXX
Cell Phone (713) 321 - XXXX
Work Phone (713) 497 - XXXX **Ext.** _____
Email p-simon@email.com

3 Current Address

Street 12 Oakwood Lane Unit # _____
 City Pleasant Valley State XY ZIP 99999 Country USA
 How Long at Current Address? 4 Years 0 Months **Housing** No primary housing expense Own Rent (\$ _____ /month)

4 If at Current Address for LESS than 2 years, list Former Address Does not apply

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

Mailing Address – if different from Current Address Does not apply

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

1b. Current Employment/Self-Employment and Income Does not apply

5 Employer or Business Name Franklin Elementary School Phone (713) 497 - XXXX
 Street 17 Barker Rd Unit # _____
 City Pleasant Valley State XY ZIP 99999 Country USA

Gross Monthly Income	
Base	\$ 3,708.00 /month
Overtime	\$ _____ /month
Bonus	\$ _____ /month
Commission	\$ _____ /month
Military Entitlements	\$ _____ /month
Other	\$ _____ /month
TOTAL \$	3,708.00 /month

6 Position or Title Music Teacher

Start Date 09 / 01 / 2010 (mm/dd/yyyy)
 How long in this line of work? 20 Years 0 Months

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

Check if you are the Business Owner or Self-Employed I have an ownership share of less than 25%. **Monthly Income (or Loss)** \$ _____
 I have an ownership share of 25% or more. \$ _____

URLA (continued)

Section 1: Borrower Information (continued)

1b. Current Employment/Self-Employment and Income (continued)

- 8 **Check if you are the Business Owner or Self-Employed:**
Indicate whether borrowers are a business owner or self-employed.
- 9 **Ownership share:** Indicate the borrowers' share of ownership.
- 10 **Monthly Income (or Loss):** Provide the amount of monthly income or loss from self-employment or their business.



For help with self-employed borrowers, ask your MGIC account representative about our *Evaluating the Self-Employed Borrower* program or go to mgic.com/seb. Sign up for webinars on the topic at mgic.com/training.

Gross Monthly Income: Include all income the borrowers receive from this employer to use toward qualifying for and repaying the mortgage debt. Do not include income from self-employment or a borrower-owned business; instead, enter that in the Monthly Income (or Loss), field 10.

Asking direct questions can go a long way to identifying and detailing sources of borrower income. You'll get accurate, complete information right away, and you may avoid unnecessary delays to correct or obtain more information. Rather than *How much money do you make?*, be more specific.

For example:

- *What did your W-2 report as your income last year?*
- *What did you make in bonus/overtime income last year?*
- *How are you paid – hourly, with a salary or on commission?*
- *How often are you paid – weekly, biweekly or monthly?*
- *Do you receive any other income you wish to use to qualify?*

Soliciting income information in this manner provides an accurate, detailed picture of the borrowers' income, which may differ from the borrowers' interpretation. Identifying the source of the borrowers' income will guide you in determining the documents you need to gather for the loan file. Asking the right questions will also help you to identify unqualified buyers – those who aren't quite ready for homeownership and even those who may be trying to mislead you.

To complete the Gross Monthly Income portion of Section 1b, use the borrowers' most recent pay stubs, W-2s and/or tax returns, if possible, to obtain the following information:

- 11 **Base:** Enter the base gross monthly income.
- 12 **Overtime:** Enter the average monthly overtime income if the borrower indicates a history of receiving this type of income and anticipates it will continue.
- 13 **Bonus:** Enter the average monthly bonus income if the borrower can show evidence of past bonuses and anticipates it will continue.
- 14 **Commission:** Enter the average commission income the borrower earned on a monthly basis.



In general, verify commission, bonus and overtime income with 2 years of history. Because this type of income may fluctuate, average it to account for highs and lows.

- 15 **Military Entitlements:** From your borrowers' Leave and Earnings Statement (LES), enter the total amount of military entitlements they receive for active, reserve or National Guard duty. This includes Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH). Do not include base pay here as you already accounted for it in Base income (field 11).
- 16 **Other:** Enter other monthly income your borrower receives from this job that's not already accounted for in fields 11-15 above. Entry of additional income here will be uncommon. Do NOT enter non-employment income here, but rather in 1e. Income from Other Sources.

To be completed by the Lender:

Lender Loan No./Universal Loan Identifier 12345

Agency Case No.

Uniform Residential Loan Application

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

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix)

Peter Simon

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

Social Security Number XXX – XX – 2030
(or Individual Taxpayer Identification Number)

Date of Birth
(mm/dd/yyyy)

03 / 06 / 1970

Citizenship

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

Type of Credit

- I am applying for **individual credit**.
- I am applying for **joint credit**. Total Number of Borrowers: 2
Each Borrower intends to apply for joint credit. **Your initials:** ps

List Name(s) of Other Borrower(s) Applying for this Loan

(First, Middle, Last, Suffix) – Use a separator between names

Elizabeth Simon

Marital Status

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

Dependents (not listed by another Borrower)

Number 1

Ages 12

Contact Information

Home Phone (713) 438 – XXXX

Cell Phone (713) 321 – XXXX

Work Phone (713) 497 – XXXX

Ext.

Email p-simon@email.com

Current Address

Street 12 Oakwood Lane

Unit #

City Pleasant Valley

State XY

ZIP 99999

Country USA

How Long at Current Address? 4 Years 0 Months **Housing** No primary housing expense Own Rent (\$ /month)

If at Current Address for LESS than 2 years, list Former Address Does not apply

Street

Unit #

City

State

ZIP

Country

How Long at Former Address? Years Months **Housing** No primary housing expense Own Rent (\$ /month)

Mailing Address – if different from Current Address Does not apply

Street

Unit #

City

State

ZIP

Country

1b. Current Employment/Self-Employment and Income

Does not apply

Employer or Business Name Franklin Elementary School

Phone (713) 497 – XXXX

Street 17 Barker Rd

Unit #

City Pleasant Valley

State XY

ZIP 99999

Country USA

Gross Monthly Income

11 Base \$ 3,708.00 /month

12 Overtime \$ /month

13 Bonus \$ /month

14 Commission \$ /month

Military

15 Entitlements \$ /month

16 Other \$ /month

TOTAL \$ 3,708.00/month

Position or Title Music Teacher

Start Date 09 / 01 / 2010 (mm/dd/yyyy)

How long in this line of work? 20 Years 0 Months

Check if this statement applies:

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

- 8 **Check if you are the Business Owner or Self-Employed**
 - 9 I have an ownership share of less than 25%. **Monthly Income (or Loss)** \$
 - 10 I have an ownership share of 25% or more. \$

URLA (continued)

Section 1: Borrower Information (continued)

1c. Additional Employment/Self-Employment and Income

Complete this section only if borrowers have income from an additional job, self-owned business or self-employment they would like considered as qualifying income. The same information requirements apply as for fields 5 through 16 in 1b. If the borrower doesn't have income from additional or self-employment, leave these fields blank and select *Does not apply*.

1d. Previous Employment/Self Employment and Income

Complete this section only if borrowers have been employed in their current position for less than 2 years. Otherwise, leave these fields blank and select *Does not apply*.

1e. Income from Other Sources

17 Include income from... From the list provided, identify income from sources other than employment the borrowers wish to use toward qualifying for and repayment of the loan. For example:

- **Alimony/Child Support:** Enter alimony/child support income if it is of a continuous nature (generally 3 or more years)
- **Social Security Income:** Enter Social Security income, which, if tax-exempt, may be grossed up to as much as 25%

If the borrower has no income from other sources, select *Does not apply*.

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

Does not apply

Employer or Business Name Learning Center of America Phone (713) 483 - XXXX
 Street 273 River Road Unit # _____
 City Pleasant Valley State XY ZIP 99999 Country USA

Gross Monthly Income
 Base \$ 453.00 /month
 Overtime \$ _____ /month
 Bonus \$ _____ /month
 Commission \$ _____ /month
 Military Entitlements \$ _____ /month
 Other \$ _____ /month
TOTAL \$ 453.00 /month

Position or Title Teacher
Start Date 03 / 21 / 2013 (mm/dd/yyyy)
 How long in this line of work? 20 Years 0 Months

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

Check if you are the Business Owner or Self-Employed I have an ownership share of less than 25%. **Monthly Income (or Loss)** \$ _____
 I have an ownership share of 25% or more. \$ _____

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

Does not apply

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

Employer or Business Name _____
 Street _____ Unit # _____
 City _____ State _____ ZIP _____ Country _____

Previous Gross Monthly Income \$ _____ /month

Position or Title _____
Start Date ____ / ____ / ____ (mm/dd/yyyy)
End Date ____ / ____ / ____ (mm/dd/yyyy)

Check if you were the Business Owner or Self-Employed

1e. Income from Other Sources

Does not apply

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

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

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

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

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 2: Financial Information – Assets and Liabilities

The Assets portion of Section 2 addresses the Capital component of The 4 Cs. The information you gather here measures the strength of the borrowers' capital investment in the property. By identifying and verifying cash or assets that can be readily converted into cash or borrowed against, you'll be able to confirm whether borrowers have enough capital to close the mortgage transaction, including funds for the down payment, closing costs and cash reserves, if required.

Reviewing assets also helps you understand the borrowers' saving pattern.



In order to close, you may need to get verification for each asset your borrower lists from the respective financial institutions.



If it appears the borrowers have insufficient funds to close the loan transaction, you will need to follow up with them to express your concerns.

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

1 Include all accounts... This section provides a list of assets readily converted into cash or borrowed against. From the list provided, enter information about each account the borrowers wish to use as a source of funds for closing and/or reserves, including the current value.

Note: If the borrowers have deposited a gift or grant in an account, include it in the Cash or Market Value for that account. However, itemize each gift or grant – even if the borrower hasn't deposited the funds yet – in 4d. Gifts or Grants You Have Been Given or Will Receive for this Loan. Other special considerations to keep in mind include:

- **Stocks and bonds:** If your borrowers will be liquidating stocks or bonds to fund their purchase, request the most recent monthly or quarterly statement or copies of the actual certificates with evidence of current value.

- **Retirement:** Borrowers may use 401(k)s and IRA funds as reserves or borrow against them for a down payment. In general, do not consider loans from retirement accounts as debt.
- **Cash Value of Life Insurance:** If borrowers intend to cash in a life insurance policy to qualify, request documentation of the receipt of funds. If they want to borrow against the policy, determine the loan repayment conditions. If the penalty for failure to repay is limited to the surrender value of the policy, in general, do not consider the loan as debt.

2 Provide TOTAL Amount Here: Add the amounts of the cash or market value of assets from accounts your borrowers choose to list for qualification.

2b. Other Assets and Credits You Have

3 Include all other... From the list provided, enter the Asset or Credit Type and Cash or Market Value for other assets not included in Section 2a the borrowers would like to include toward qualifying for their loan. If they have no other assets, select *Does not apply*. Special considerations include:

- **Proceeds from Real Estate Property to be sold on or before closing:** Enter this Asset Type and list the Cash or Market Value of any real estate assets the borrowers will receive prior to or at closing
- **Earnest Money:** Enter this Credit Type and the Cash Value of the deposit the borrowers submitted with the purchase offer to show they're making their offer in good faith
- **Sweat Equity:** Enter this Credit Type and the Cash or Market Value of materials provided for or labor performed by the borrowers or on their behalf

4 Provide TOTAL Amount Here: Add the amounts of the Cash or Market Value of assets or credits your borrowers choose to list for qualification.

Section 2: Financial Information — Assets and Liabilities. This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

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

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

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

Account Type – use list above	Financial Institution	Account Number	Cash or Market Value
Savings	Teachers Credit Union	06083-00	\$ 5,562.00
Checking	Teachers Credit Union	06083-71	\$ 1,367.00
Retirement	Vanguard	4114-556	\$ 50,000.00
			\$
			\$
2 Provide TOTAL Amount Here			\$ 56,929.00

2b. Other Assets and Credits You Have Does not apply

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

- Assets**
- Proceeds from Real Estate Property to be sold on or before closing
- Proceeds from Sale of Non-Real Estate Asset
- Secured Borrowed Funds
- Unsecured Borrowed Funds
- Other
- Credits**
- Earnest Money
- Employer Assistance
- Lot Equity
- Relocation Funds
- Rent Credit
- Sweat Equity
- Trade Equity

Asset or Credit Type – use list above	Cash or Market Value
Proceeds from Real Estate Property to be sold on or before closing	\$ 18,150.00
Earnest Money	\$ 3,000.00
	\$
	\$
4 Provide TOTAL Amount Here	
	\$ 21,150.00

2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe Does not apply

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

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

Account Type – use list above	Company Name	Account Number	Unpaid Balance	To be paid off at or before closing	Monthly Payment
Installment	Auto World	124578	\$ 10,000.00	<input type="checkbox"/>	\$ 500.00
Installment	Auto World	986532	\$ 4,789.00	<input type="checkbox"/>	\$ 368.00
Installment	Higher Education	1348AP9527	\$ 15,751.00	<input type="checkbox"/>	\$ 160.00
Revolving	Acme Credit	60190024554	\$ 121.00	<input type="checkbox"/>	\$ 32.00
Revolving	Discover Card	97531246890	\$ 1,000.00	<input type="checkbox"/>	\$ 50.00

2d. Other Liabilities and Expenses Does not apply

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

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

	Monthly Payment
	\$
	\$
	\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 2: Financial Information – Assets and Liabilities (continued)

In the Liabilities portion of Section 2, we explore another facet of the borrowers' Capacity to repay their new mortgage: the amount of debt they carry.

List debts the borrowers are obligated to pay on a monthly basis. While most debts will appear on the credit report, there are some, such as child support and alimony, that may not. To minimize surprises later in the process, it's important to discuss with your borrowers exactly what their monthly debt obligations include.

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

5 List all liabilities (except real estate) and include deferred payments...:

From the list provided, enter details for each of the borrowers' personal debts they currently owe or will owe before their loan closes, including:

- Debts not listed on their credit report
- Debts whose payments are currently deferred
- Debts that will be paid off at or before closing, even if they will be paid off by the mortgage loan



Student loans: If you're unable to document or verify a deferred student loan monthly payment, in general, enter 1% of the outstanding balance as the Monthly Payment amount.

Don't include monthly household expenses for phones, utilities or insurance, unless instructed to do so. If the borrowers have no personal debt, select *Does not apply*.

6 Unpaid Balance: Enter the total unpaid balance of each liability. Indicate whether the debt is to be paid off prior to or at closing.



Exclude debts marked as to be paid off at or before closing from the borrowers' total debt obligations.



In general, exclude installment debts with 10 or fewer months remaining from the total liabilities if the payment does not materially affect the borrowers' ability to pay. Auto lease payments are the exception to the rule. Include them, regardless of the number of months remaining, as typically, the lease would be replaced with a new lease or loan on the buyout of the current lease.

2d. Other Liabilities and Expenses

7 Include all other liabilities and expenses...:

From the list provided, enter details for each of the borrowers' personal ongoing debts, such as alimony, child support and separate maintenance. In general, listing job-related expenses is not required for conventional loans. If the borrowers have no liabilities or expenses, select *Does not apply*.



You may have the option to reduce the borrowers' qualifying income by the amount of court-ordered alimony or to treat it as a liability. Check investor guidelines.

Section 2: Financial Information — Assets and Liabilities. This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

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

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

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

Account Type – use list above	Financial Institution	Account Number	Cash or Market Value
Savings	Teachers Credit Union	06083-00	\$ 5,562.00
Checking	Teachers Credit Union	06083-71	\$ 1,367.00
Retirement	Vanguard	4114-556	\$ 50,000.00
			\$
			\$
Provide TOTAL Amount Here			\$ 56,929.00

2b. Other Assets and Credits You Have Does not apply

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

- Assets**
- Proceeds from Real Estate Property to be sold on or before closing
- Proceeds from Sale of Non-Real Estate Asset
- Secured Borrowed Funds
- Unsecured Borrowed Funds
- Other
- Credits**
- Earnest Money
- Employer Assistance
- Lot Equity
- Relocation Funds
- Rent Credit
- Sweat Equity
- Trade Equity

Asset or Credit Type – use list above	Cash or Market Value
Proceeds from Real Estate Property to be sold on or before closing	\$ 18,150.00
Earnest Money	\$ 3,000.00
	\$
	\$
Provide TOTAL Amount Here	
	\$ 21,150.00

2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe Does not apply

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

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

Account Type – use list above	Company Name	Account Number	6 Unpaid Balance	To be paid off at or before closing	Monthly Payment
Installment	Auto World	124578	\$ 10,000.00	<input type="checkbox"/>	\$ 500.00
Installment	Auto World	986532	\$ 4,789.00	<input type="checkbox"/>	\$ 368.00
Installment	Higher Education	1348AP9527	\$ 15,751.00	<input type="checkbox"/>	\$ 160.00
Revolving	Acme Credit	60190024554	\$ 121.00	<input type="checkbox"/>	\$ 32.00
Revolving	Discover Card	97531246890	\$ 1,000.00	<input type="checkbox"/>	\$ 50.00

2d. Other Liabilities and Expenses Does not apply

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

Alimony	Child Support	Separate Maintenance	Job Related Expenses	Other	Monthly Payment
					\$
					\$
					\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 3: Financial Information – Real Estate

In Section 3, you'll collect details about any properties the borrowers have an ownership interest in, including undeveloped land. You'll use this information to compare existing balances and monthly payments to the credit report.

3a. Property You Own

- Enter the details about each property the borrowers own. If they are refinancing the property, list it first
- Include timeshares only if the borrowers are titled owners of the property
- Enter the associated mortgage(s) details for each property if they are obligated on a mortgage, no matter what their relationship is to the property – whether they own the property individually, jointly with someone else or are not on the title to the property

If the borrowers do not own any real property and are not obligated on a mortgage, select *I do not own any real estate*.

- 1 Property Value:** Provide an estimate of the current property value. If the property is the subject of a refinance, use the value stated on the appraisal.
- 2 Status:** Indicate the property's status:
 - Enter *Sold* if the borrowers recently sold the property
 - Enter *Pending Sale* if the property is currently under contract for sale
 - Enter *Retained* if:
 - The borrowers will continue to own the property after the loan closes (for example, if the property is a vacation home or an investment property that is not the subject of the loan),
 - The subject loan is a refinance or
 - The property is currently listed for sale but is not under contract yet
- 3 Intended Occupancy:** Indicate whether the intended occupancy of the property is for the borrowers' use as a primary residence, an investment property or a second home.

- 4 Monthly Insurance, Taxes, Association Dues, etc.:**

Provide this information only if it is not included in the Monthly Mortgage Payment amount, field 10 (see page 21).

- 5 Monthly Rental income:** Provide the gross monthly rental income the borrower receives from the property.

- 6 For LENDER to calculate: Net Monthly Rental Income:**

Typically, net rental income is based on:

- The property's gross rent, less a 25% vacancy factor, and
- For investment properties, the deduction of the proposed monthly mortgage payment, also referred to as "PITIA"



PITIA is the acronym for the 5 components of the monthly mortgage payment:

Principal: The portion of the payment used to reduce the loan balance(s)

Interest: The portion of the payment used to pay interest that is due

Taxes: One-twelfth of the annual property tax bill

Insurance: One-twelfth of the annual homeowners, supplemental property insurance (e.g., flood insurance) and mortgage insurance bills

All other: Homeowner association/project dues, ground rent, etc.

Typically, this is the formula to calculate the net rental income (loss) for an investment property:

Net Rental Income or Loss = (Gross Rent x 75%) – PITIA

Example:

Gross rental income = \$1,000 per month

Monthly mortgage payment (PITIA) = \$600

Net monthly rental income = (\$1,000 x .75) – \$600 = \$150



If a property is identified as an investment property, document with 1 year of personal tax returns or leases to verify the rental income the borrowers received.

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. I do not own any real estate

3a. Property You Own If you are refinancing, list the property you are refinancing FIRST.

Address Street 12 Oakwood Lane Unit # _____
 City Pleasant Valley State XY ZIP 99999 Country USA

1 Property Value	2 Status: Sold, Pending Sale, or Retained	3 Intended Occupancy: Investment, Primary Residence, Second Home, Other	4 Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	5 For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	6 For LENDER to calculate: Net Monthly Rental Income
\$ 150,000.00	Pending Sale	Primary Residence	\$ 0.00	\$ 0.00	\$

Mortgage Loans on this Property Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
American Mtg Corp	4789	\$ 931.00	\$ 116,850.00	<input checked="" type="checkbox"/>	Conventional	\$
		\$	\$	<input type="checkbox"/>		\$

3b. IF APPLICABLE, Complete Information for Additional Property Does not apply

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

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	5 For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	6 For LENDER to calculate: Net Monthly Rental Income
\$			\$	\$	\$

Mortgage Loans on this Property Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$
		\$	\$	<input type="checkbox"/>		\$

3c. IF APPLICABLE, Complete Information for Additional Property Does not apply

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

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	5 For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	6 For LENDER to calculate: Net Monthly Rental Income
\$			\$	\$	\$

Mortgage Loans on this Property Does not apply

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$
		\$	\$	<input type="checkbox"/>		\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 3: Financial Information – Real Estate (continued)

3a. Property You Own (continued)

- 7 **Mortgage Loans on this Property:** Provide details for any mortgages on the property. If the borrower is not obligated on a mortgage for the property, select *Does not apply*.
- 8 **Creditor Name:** Enter the creditor's name.
- 9 **Account Number:** Enter the last four digits of the account number unless your institution directs you otherwise.
- 10 **Monthly Mortgage Payment:** Enter the mortgage payment amount.
- 11 **Unpaid Balance:** Record the balance of the mortgage/lien or home equity line of credit balance, as applicable. You can find this information on the credit report or other document, such as a statement from the mortgage lender. Select *To be paid off at or before closing* if the loan's unpaid balance will be paid off at or before closing.
- 12 **Type:** Indicate the type of mortgage.
- 13 **Credit Limit:** Enter the maximum amount the borrowers are permitted to borrow if they have a home equity line of credit (HELOC) on the property.

3b and 3c. IF APPLICABLE, Complete Information for Additional Property

Complete if the borrowers own any additional property. The same information requirements apply as for fields 1-13 in Section 3a. If they don't own any additional property, select *Does not apply*.

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. *I do not own any real estate*

3a. Property You Own If you are refinancing, list the property you are refinancing **FIRST**.

Address Street 12 Oakwood Lane Unit # _____
 City Pleasant Valley State XY ZIP 99999 Country USA

Property Value	Status: Sold, Pending Sale, or Retained	Intended Occupancy: Investment, Primary Residence, Second Home, Other	Monthly Insurance, Taxes, Association Dues, etc. if not included in Monthly Mortgage Payment	For 2-4 Unit Primary or Investment Property	
				Monthly Rental Income	For LENDER to calculate: Net Monthly Rental Income
\$ 150,000.00	Pending Sale	Primary Residence	\$ 0.00	\$ 0.00	\$

7 Mortgage Loans on this Property *Does not apply*

8 Creditor Name	9 Account Number	10 Monthly Mortgage Payment	11 Unpaid Balance	To be paid off at or before closing	12 Type: FHA, VA, Conventional, USDA-RD, Other	13 Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$

3b. IF APPLICABLE, Complete Information for Additional Property *Does not apply*

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

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

Mortgage Loans on this Property *Does not apply*

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$

3c. IF APPLICABLE, Complete Information for Additional Property *Does not apply*

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

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

Mortgage Loans on this Property *Does not apply*

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
		\$	\$	<input type="checkbox"/>		\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 4: Loan and Property Information

In Section 4, we move on to describe the property, or in terms of The 4 Cs, the Collateral. You will provide some of this information to the appraiser to begin the appraisal process. The appraiser will validate whether the property's value and marketability will provide adequate Collateral, in other words, security for the loan.

4a. Loan and Property Information

To complete Section 4a, provide the following information:

- 1 **Loan Amount:** Enter amount the borrowers are financing with the mortgage.
- 2 **Loan Purpose** (the reason the borrowers are applying for the mortgage):
 - Select *Purchase* if they're applying for a loan to buy the property
 - Select *Refinance* if:
 - They already own the property and are applying for a new loan to pay off the existing loan
 - They already own the property free and clear and are applying for a loan to take cash out
 - Select *Other* if the transaction is neither a purchase nor a refinance but for a purpose such as:
 - A temporary construction loan, not intended to serve as permanent financing
 - A new subordinate loan, whose proceeds will not be used to purchase or refinance the property
- 3 **Property Value:** Enter the current estimated value of the property. At closing, this is the property value used for loan qualification purposes.

- 4 **Occupancy:** Select how the borrowers intend to use the property:
 - **Primary Residence:** Where at least 1 borrower will live the majority of the year
 - **Secondary Residence:** Where at least 1 borrower will live in the property, but not as a primary residence – typically, a vacation property
 - **Investment:** An income-producing property the borrowers do not intend to occupy
 - **FHA Secondary Residence:** Where at least 1 borrower of an FHA loan will occupy, in addition to the primary residence, but for less than 6 months of the year
- 5 **Mixed-Use Property:** If 1 or more borrowers occupy the property, indicate whether they will run a business within the property.



A mixed-use property has a business use in addition to residential use.

- 6 **Manufactured Home:** Indicate whether the dwelling was delivered to the property site on wheels and a permanent chassis.

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing

Provide detail for any other new mortgage loans on the property – in addition to the subject loan. If the borrowers are not financing any additional mortgages, select *Does not apply*.

- 7 **Loan Amount/Amount to be Drawn:** Enter the loan amount if the borrowers are financing a closed-ended loan (where they cannot draw additional funds after closing). If they are financing a line of credit (HELOC), enter the amount they will draw at closing.
- 8 **Credit Limit:** If the new mortgage is a line of credit, enter the maximum amount the borrowers are permitted to borrow.

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

4a. Loan and Property Information

1 **Loan Amount** \$ 180,000.00 2 **Loan Purpose** Purchase Refinance Other (specify) _____

Property Address Street 126 Lake View Lane Unit # _____
 City Pleasant Valley 3 State XY ZIP 99999 Country USA
 Number of Units 1 **Property Value** \$ 200,000.00

4 **Occupancy** Primary Residence Second Home Investment Property **FHA Secondary Residence**

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

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

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing

Does not apply

8

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

4c. Rental Income on the Property You Want to Purchase

For Purchase Only Does not apply

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

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan

Does not apply

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

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

Asset Type: Cash Gift, Gift of Equity, Grant	Deposited/Not Deposited	Source – use list above	Cash or Market Value
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 4: Loan and Property Information (continued)

4c. Rental Income on the Property You Want to Purchase

Complete this section if the borrowers are purchasing a 2- to 4-unit primary residence or an investment property. If not, select *Does not apply*.

- 9 **Expected Monthly Rental Income:** Enter the gross rental income (before expenses) the borrowers expect to receive.
- 10 **For LENDER to calculate: Expected Net Monthly Rental Income:** Typically, net rental income is based on:
 - The property's gross rent, less a 25% vacancy factor, and
 - For investment properties, the deduction of the proposed monthly mortgage payment, also referred to as "PITIA"

For the formula to calculate net rental income (loss) for an investment property, see the example in Section 3a. Property You Own, field 6.

4d. Gifts or Grants You Have Been Given or Will Receive for this Loan

Provide details regarding gifts or grants for the loan the borrowers have or will have received. If they have not and will not be receiving any gifts or grants, select *Does not apply*.

- 11 **Deposited/Not Deposited:** Indicate whether the borrowers have deposited a gift or grant:
 - Select *Deposited* if:
 - The borrowers have received a cash gift or grant, AND
 - They have deposited the gift/grant funds in their account(s), AND
 - They included the cash gift/grant funds in the cash or market value shown for the account(s) in Section 2a. Assets – Bank Accounts, Retirement, and Other Accounts You Have
 - Do NOT select *Deposited* or *Not Deposited* for gifts of equity

- 12 **Source:** Select from the list provided to identify the source of the gift/grant.

- 13 **Cash or Market Value:** Provide the value of the gift/grant.



Gifts (must be from a relative): If any or all of the borrowers' down payment is from a gift, obtain a donor-signed gift letter indicating:

- The donor's name and relationship to the borrowers
- The donor's mailing address and phone number
- The date of the gift
- The amount of the gift
- The donor does not expect or require repayment



Obtain evidence from the borrowers verifying they received the gift.



Grants (from an acceptable source): The grant provider may not be an interested party to the transaction. Verify terms and conditions of the grant. Grants must be documented with an award letter stating:

- Borrowers' names
- Provider's name, mailing address and phone number
- Amount of the grant and the date the borrowers received it
- Repayment is not expected or required



If grant funds are not reflected in the borrowers' account statement, provide proof of borrowers' receipt from the provider.

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

4a. Loan and Property Information

Loan Amount \$ 180,000.00 **Loan Purpose** Purchase Refinance Other (specify) _____

Property Address Street 126 Lake View Lane Unit # _____
 City Pleasant Valley State XY ZIP 99999 Country USA
 Number of Units 1 **Property Value** \$ 200,000.00

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

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

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

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

Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

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

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

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

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

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

Asset Type: Cash Gift, Gift of Equity, Grant	11 Deposited/Not Deposited	12 Source – use list above	13 Cash or Market Value
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$
	<input type="radio"/> Deposited <input type="radio"/> Not Deposited		\$

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 5: Declarations

The information you gather in Section 5 pertains to the property, the borrowers' funds for the loan and the borrowers' credit history from a legal perspective. For example:

- *Will you occupy the property as your primary residence?*
- *Have you, or will you, be applying for new credit on or before the closing of this loan?*
- *Within the past 7 years have you had a property foreclosed upon?*

This section further reveals their willingness to repay the loan based on their past use of credit. Eventually you will use their credit report to confirm their answers.

To complete this section, ask your borrowers the questions presented, selecting *Yes* or *No*, as appropriate. The URLA and URLA — Additional Borrower do not require explanations for the borrowers' declarations. If you want to collect explanations, use the URLA — Continuation Sheet.

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

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

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

5b. About Your Finances

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

Borrower Name: Peter Simon
 Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA (continued)

Section 6: Acknowledgements and Agreements

Section 6 lays out the borrowers' legal obligations once they sign the application. The Loan App is not a binding agreement unless it is signed and dated by the borrowers.



If the URLA is being used with the URLA —
Additional Borrower, both borrowers sign the
URLA.

After they've thoroughly read the terms, have the borrowers sign and date the Loan App to acknowledge and agree to the conditions stated, including:

- The borrower has provided loan participants (the lender, any mortgage insurer, guarantor, servicer, etc.) true, accurate and complete information
- The loan is secured by a mortgage, providing the lender an interest in the property
- Loan participants may use the value of the property for their purposes
- The borrowers consent to the use of electronic records and signatures
- The lender and other loan participants may report late payments, which could affect your borrowers' credit score
- Loan participants are allowed to share the borrowers' Loan App, credit report and related documentation for lawful purposes

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

Acknowledgments and Agreements

Definitions:

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

I agree to, acknowledge, and represent the following:

(1) The Complete Information for this Application

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

(2) The Property's Security

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

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

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

(4) Electronic Records and Signatures

- The Lender and Other Loan Participants may keep any paper record and/or electronic record of this application, whether or not the Loan is approved.

- If this application is created as (or converted into) an "electronic application", I consent to the use of "electronic records" and "electronic signatures" as the terms are defined in and governed by applicable Federal and/or state electronic transactions laws.
- I intend to sign and have signed this application either using my:
 - (a) electronic signature; or
 - (b) a written signature and agree that if a paper version of this application is converted into an electronic application, the application will be an electronic record, and the representation of my written signature on this application will be my binding electronic signature.
- I agree that the application, if delivered or transmitted to the Lender or Other Loan Participants as an electronic record with my electronic signature, will be as effective and enforceable as a paper application signed by me in writing.

(5) Delinquency

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

(6) Authorization for Use and Sharing of Information

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

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

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

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

Borrower Name: Peter Simon
Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

URLA (continued)

Section 7: Military Service

The information you gather in this section pertains to your borrowers' or a deceased spouse's military service. Ask the borrowers the questions presented; select *Yes* or *No*, as appropriate.

Section 8: Demographic Information

Information you collect for Section 8 satisfies the federal government's Home Mortgage Disclosure Act. HMDA (pronounced hum-da) was designed to monitor whether financial institutions adequately serve the credit needs of their communities and to ensure those institutions do not redline.



Redlining: The illegal act of denying credit to persons residing in specific geographic areas or using discriminatory lending practices based on location.

HMDA requires institutions to report certain data regarding mortgage loan approvals and denials, such as the geographic location of the secured property; the race, ethnicity and sex of the loan applicants; and whether the loan was granted. In addition to identifying unfair lending practices, this information helps the government identify neighborhoods that could use its assistance.

Demographic Information of Borrower

- 1 **Ethnicity/Sex/Race:** This section can be completed either by providing the information or selecting *I do not wish to provide this information*.
- 2 **To Be Completed by Financial Institution (for application taken in person):** If the borrowers choose not to furnish information regarding ethnicity, race or sex, under federal regulations, the lender is required to note the information on the basis of visual observation or surname.
- 3 **The Demographic Information was provided through:** Indicate whether you collected the information face-to-face, over the phone, via fax or mail, email or Internet.

Section 7: Military Service.

This section asks questions about your (or your deceased spouse's) military service.

Military Service of Borrower

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

If YES, check all that apply:

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

Section 8: Demographic Information.

This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

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

1 Ethnicity: Check one or more

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

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

- Not Hispanic or Latino
- I do not wish to provide this information

Sex

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

Race: Check one or more

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

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

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

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

For example: Fijian, Tongan, and so on.

- White
- I do not wish to provide this information

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

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

3 The Demographic Information was provided through:

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

Borrower Name: Peter Simon
Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

URLA (continued)

Section 9: Loan Originator Information

This section provides your borrowers with the institution's contact information as well as that of the loan officer who originated the loan.

Provide contact information and other details, including:

- 1 **Loan Originator Organization NMLSR ID#:** Enter the company's unique identifier as assigned by the Nationwide Mortgage Licensing System and Registry (NMLS).
- 2 **Loan Originator NMLSR ID#:** Enter the loan officer's unique NMLS identifier.

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

Loan Originator Information

Loan Originator Organization Name ABC Mortgage Company

Address 1000 Any Street, Suite 200, Pleasant Valley, XY 99999

① Loan Originator Organization NMLSR ID# 123456 State License ID# MB654321

Loan Originator Name John Smith

② Loan Originator NMLSR ID# 7654321 State License ID# XYMLO7654321

Email jsmith@abcmtgco.com Phone (713) 300 - XXXX

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

Borrower Name: Peter Simon
Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Effective 1/2021

URLA — Additional Borrower

The URLA — Additional Borrower form collects additional borrowers' personal information as well as their income and financial details considered for loan qualification.

Note: You'll need to provide the Lender Loan Number/ Universal Loan Identifier and Agency Case Number information requested at the very top of the form and the additional borrower's name at the bottom of the pages.

Section 1: Borrower Information

This section is identical to Section 1 on the URLA and requires completion for any additional borrowers.

The URLA instructions provided on page 8 and 10 also apply to Sections 1a and 1b of the URLA — Additional Borrower form.

As with the URLA, we can't overstate the importance of Section 1 in guiding your evaluation of any additional borrowers' Credit and Capacity.

To be completed by the Lender:

Lender Loan No./Universal Loan Identifier 12345

Agency Case No. _____

Uniform Residential Loan Application — Additional Borrower

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

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix)

Elizabeth Simon

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

Elizabeth Jones

Social Security Number XXX - XX - 9652
(or Individual Taxpayer Identification Number)

Date of Birth
(mm/dd/yyyy)

08 / 01 / 1974

Citizenship

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

Type of Credit

- I am applying for **individual credit**.
 I am applying for **joint credit**. Total Number of Borrowers: 2
Each Borrower intends to apply for joint credit. **Your initials:** es

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

Peter Simon

Marital Status

- Married
 Separated
 Unmarried

(Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship)

Dependents (not listed by another Borrower)

Number ____
Ages _____

Contact Information

Home Phone (713) 438 - XXXX

Cell Phone (713) 321 - XXXX

Work Phone (713) 493 - XXXX

Ext. _____

Email e-simon@email.com

Current Address

Street 12 Oakwood Lane

Unit # _____

City Pleasant Valley

State XY

ZIP 99999

Country USA

How Long at Current Address? 4 Years 0 Months **Housing** No primary housing expense Own Rent (\$ _____ /month)

If at Current Address for LESS than 2 years, list Former Address Does not apply

Street _____

Unit # _____

City _____

State _____

ZIP _____

Country _____

How Long at Former Address? ____ Years ____ Months **Housing** No primary housing expense Own Rent (\$ _____ /month)

Mailing Address – if different from Current Address Does not apply

Street _____

Unit # _____

City _____

State _____

ZIP _____

Country _____

1b. Current Employment/Self-Employment and Income

Does not apply

Employer or Business Name Web Vision Inc.

Phone (713) 493 - XXXX

Street 314 Forest Ave

Unit # _____

City Pleasant Valley

State XY

ZIP 99999

Country USA

Position or Title Program Designer Technology

Start Date 05 / 10 / 2002 (mm/dd/yyyy)

How long in this line of work? 20 Years 0 Months

Check if this statement applies:

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

Check if you are the Business Owner or Self-Employed I have an ownership share of less than 25%. **Monthly Income (or Loss)** \$ _____
 I have an ownership share of 25% or more. \$ _____

Gross Monthly Income

Base \$ 5,000.00/month

Overtime \$ _____/month

Bonus \$ _____/month

Commission \$ _____/month

Military Entitlements \$ _____/month

Other \$ _____/month

TOTAL \$ 5,000.00/month

URLA — Additional Borrower (*continued*)

Section 1: Borrower Information (*continued*)

The URLA instructions provided on page 12 also apply to sections 1c, 1d and 1e of the URLA — Additional Borrower form.

Sections 2-4

Several sections of the URLA — Additional Borrower form provide a shortcut to indicate the additional borrower's information for that section is listed on the borrower's URLA.

You only need to enter the other borrower's name as it appears on the URLA in these sections:

- Section 2: Financial Information – Assets and Liabilities
- Section 3: Financial Information – Real Estate
- Section 4: Loan and Property Information

1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income Does not apply

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

Gross Monthly Income

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

Position or Title _____

Check if this statement applies:

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

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

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

Check if you are the Business Owner or Self-Employed I have an ownership share of less than 25%. **Monthly Income (or Loss)** \$ _____
 I have an ownership share of 25% or more. \$ _____

1d. IF APPLICABLE, Complete Information for Previous Employment/Self-Employment and Income Does not apply

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

Employer or Business Name _____
 Street _____ Unit # _____
 City _____ State _____ ZIP _____ Country _____

Previous Gross Monthly

Income \$ _____ /month

Position or Title _____

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

 Check if you were the Business Owner or Self-Employed

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

1e. Income from Other Sources Does not apply

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

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

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

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

Section 2: Financial Information — Assets and Liabilities.

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

Section 3: Financial Information — Real Estate.

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

Section 4: Loan and Property Information.

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

Borrower Name: Elizabeth Simon
 Uniform Residential Loan Application — Additional Borrower
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA — Additional Borrower (*continued*)

Section 5: Declarations

As you did on the URLA, you'll collect answers to questions about the property, the additional borrowers' funds for the loan and their credit history from a legal perspective. See page 26 for more information.

Section 6: Acknowledgments and Agreements

Section 6 of the URLA — Additional Borrower form provides another shortcut that indicates the additional borrower's information for that section is listed on the borrower's URLA.

You only need to enter the other borrower's name as it appears on the URLA.

Section 7: Military Service

Just like the URLA's Section 7, this section collects information about the additional borrower's or a deceased spouse's military service.

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

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

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

5b. About Your Finances

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

Section 6: Acknowledgements and Agreements.

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

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

Military Service of Borrower

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

If YES, check all that apply:

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

Borrower Name: Elizabeth Simon
 Uniform Residential Loan Application — Additional Borrower
 Freddie Mac Form 65 • Fannie Mae Form 1003
 Effective 1/2021

URLA — Additional Borrower (*continued*)

Section 8: Demographic Information

As you did for the borrower on the URLA, collect information regarding any additional borrower's ethnicity, sex and race. See page 30 for more information.

Section 9: Loan Originator Information

As you did for the borrower on the URLA, provide the loan originator's contact information and other details. See page 32 for more information.

Section 8: Demographic Information.

This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

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

Ethnicity: Check one or more

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

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

- Not Hispanic or Latino
 I do not wish to provide this information

Sex

- Female
 Male
 I do not wish to provide this information

Race: Check one or more

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

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

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

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

For example: Fijian, Tongan, and so on.

- White
 I do not wish to provide this information

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

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

The Demographic Information was provided through:

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

Section 9: Loan Originator Information.

To be completed by your Loan Originator.

Loan Originator Information

Loan Originator Organization Name ABC Mortgage Company

Address 1000 Any Street, Suite 200, Pleasant Valley, XY 9999

Loan Originator Organization NMLSR ID# 123456

State License ID# MB654321

Loan Originator Name John Smith

Loan Originator NMLSR ID# 7654321

State License ID# XYMLO7654321

Email jsmith@abcmgtco.com

Phone (713) 300 - XXXX

Signature _____

Date (mm/dd/yyyy) ____ / ____ / ____

Borrower Name: Elizabeth Simon

Uniform Residential Loan Application — Additional Borrower

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

URLA — Lender Loan Information

URLA — Lender Loan Information collects details about the loan transaction.

Note: You'll need to provide the Lender Loan Number/ Universal Loan Identifier and Agency Case Number information requested at the very top of the form and the borrowers' names at the bottom of the pages.



In the sample URLA — Lender Loan Information form on the following pages, we have not included instructions for self-explanatory fields.

L1. Property and Loan Information

1 Transaction Detail:

- **Conversion of Contract for Deed or Land Contract:** Select if the borrowers are using loan proceeds to pay off the balance due on a contract for deed or land contract for either purchase or refinance transactions
- **Renovation:** Select if the borrowers are using loan proceeds to finance renovation costs and the appraised value includes the value assigned to the renovations
- **Construction-Conversion/Construction-to-Permanent:** Select if the borrowers are using interim construction financing and long-term permanent financing to replace the interim financing upon completion of construction



The cost of improvements should be supported by a construction cost breakdown signed by the builder.



Verify the original cost of the lot with the lot purchase contract, transfer form, closing statement or title policy.

- 2 **Refinance Type/Program:** Identify the applicable refinance type/program based on investor guidelines.

3 Energy Improvement:

- For purchase and refinance loans, indicate whether the borrowers are using loan proceeds to finance energy-related improvements
- Indicate whether there is an energy lien on the property that the borrowers are repaying through property taxes. (This doesn't apply to standard real estate property taxes or homeowners association liens on the property)

L2. Title Information

- 4 **Estate Will be Held in:** Select the appropriate option:

- **Fee Simple:** The property is an estate under which the owners are entitled to unrestricted powers to dispose of the property. The property can be entrusted by a will or inherited
- **Leasehold:** The estate is in real property held under a lease for a fixed period of time



Document with a copy of the lease reflecting that the term of the lease will continue 5 years beyond the term of the mortgage

- 5 **Manner in Which Title Will be Held:** Select the appropriate options:

- **One or more individuals:** e.g., Sole Ownership or Joint Tenancy with Right of Survivorship
- **Trust:** A legal entity created by individuals to protect their assets, e.g., Living Trust
- **Indian Country Land Tenure:** Applies to land "reserved" by or for an Indian land, village or tribe(s) to live on and use; e.g., Fee Simple On a Reservation, Tribal Trust Land Off Reservation



The manner in which title is held is an important consideration. It impacts the legal ownership of the property and how ownership is transferred to heirs in the event of death. Some types of title carry tax consequence. Title rules can vary from state to state.

Uniform Residential Loan Application — Lender Loan Information

This section is completed by your Lender.

L1. Property and Loan Information

Community Property State

- At least one borrower lives in a community property state.
- The property is in a community property state.

1 Transaction Detail

- Conversion of Contract for Deed or Land Contract
- Renovation
- Construction-Conversion/Construction-to-Permanent
 - Single-Closing Two-Closing
- Construction/Improvement Costs \$ _____
- Lot Acquired Date ____/____/____ (mm/dd/yyyy)
- Original Cost of Lot \$ _____

2

Refinance Type

- No Cash Out
- Limited Cash Out
- Cash Out

Refinance Program

- Full Documentation
- Interest Rate Reduction
- Streamlined without Appraisal
- Other _____

3

Energy Improvement

- Mortgage loan will finance energy-related improvements.
- Property is currently subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid for through property taxes (e.g., the Property Assessed Clean Energy program).

Project Type Condominium Cooperative Planned Unit Development (PUD) Property is not located in a project

L2. Title Information

Title to the Property **Will** be Held in What Name(s):
Peter Simon and Elizabeth Simon

For Refinance: Title to the Property is **Currently** Held in What Name(s):

4 Estate Will be Held in

- Fee Simple
- Leasehold Expiration Date ____/____/____ (mm/dd/yyyy)

5 Manner in Which Title Will be Held

- Sole Ownership Joint Tenancy with Right of Survivorship
- Life Estate Tenancy by the Entirety
- Tenancy in Common Other

Trust Information

- Title Will be Held by an *Inter Vivos (Living)* Trust
- Title Will be Held by a Land Trust

Indian Country Land Tenure

- Fee Simple On a Reservation
- Individual Trust Land (*Allotted/Restricted*)
- Tribal Trust Land On a Reservation
- Tribal Trust Land Off Reservation
- Alaska Native Corporation Land

L3. Mortgage Loan Information

Mortgage Type Applied For

- Conventional USDA-RD
- FHA VA Other: _____

Terms of Loan

Note Rate 5.5000 %
Loan Term 360 (months)

Mortgage Lien Type

- First Lien
- Subordinate Lien

Amortization Type

- Fixed Rate Other (explain): _____
- Adjustable Rate

If Adjustable Rate:

Initial Period Prior to First Adjustment _____ (months)
Subsequent Adjustment Period _____ (months)

Loan Features

- Balloon/ Balloon Term _____ (months)
- Interest Only / Interest Only Term _____ (months)
- Negative Amortization
- Prepayment Penalty / Prepayment Penalty Term _____ (months)
- Temporary Interest Rate Buydown/Initial Buydown Rate _____ %
- Other (explain): _____

Proposed Monthly Payment for Property

First Mortgage (P & I)	\$ <u>1,022.02</u>
Subordinate Lien(s) (P & I)	\$ _____
Homeowner's Insurance	\$ <u>95.00</u>
Supplemental Property Insurance	\$ _____
Property Taxes	\$ <u>208.33</u>
Mortgage Insurance	\$ <u>52.50</u>
Association/Project Dues (Condo, Co-Op, PUD)	\$ _____
Other	\$ _____
TOTAL	\$ <u>1,377.85</u>

Borrower Name(s): Peter Simon; Elizabeth Simon

Uniform Residential Loan Application — Lender Loan Information

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

URLA — Lender Loan Information (continued)

L3. Mortgage Loan Information

- 6 **Mortgage Type Applied For:** Indicate the type of mortgage loan the borrowers are applying for. If you select *Other*, state whether the mortgage is an HFA loan, an affordable housing loan, etc.
- 7 **Amortization Type:** Indicate the type of mortgage program:
 - **Fixed Rate:** The interest rate remains the same for the life of the mortgage
 - **Adjustable Rate:** Allows the interest rate to periodically adjust to meet current rates
 - **Other:** Any amortization type not listed
- 8 **Loan Features:** Select the applicable loan features, if any.
- 9 **Note Rate:** Enter the interest rate the borrowers are paying for the mortgage loan. For an ARM loan, enter the initial interest rate.
- 10 **Loan Term:** Enter the loan term in months (e.g., 360 months for a 30-year loan, 360 months for a 5-year balloon amortized over 30 years, 180 months for a 15-year loan, etc.).
- 11 **Proposed Monthly Payment for Property:** Enter details about the borrowers' proposed PITIA .



PITIA is the acronym for the 5 components of the monthly mortgage payment:

Principal: The portion of the payment used to reduce the loan balance(s)

Interest: The portion of the payment used to pay interest that is due

Taxes: One-twelfth of the annual property tax bill

Insurance: One-twelfth of the annual homeowners, supplemental property insurance (e.g., flood insurance) and mortgage insurance bills

All other: Homeowner association/project dues, ground rent, etc.

- 12 **First Mortgage (P & I):** Enter the amount of the borrowers' proposed principal and interest payment for the subject property.
- 13 **Subordinate Lien(s) (P & I):** Enter the borrowers' total P & I payment for any additional financing (proposed or existing) on the property at closing. Include amounts from Monthly Mortgage Payment in URLA section 3a. Property You Own and/or Monthly Payment in URLA section 4b. Other New Mortgage Loans on the Property You are Buying or Refinancing.
- 14 **Homeowner's Insurance:** Enter the proposed monthly insurance premium provided on the borrowers' homeowner's insurance Declarations page.
- 15 **Supplemental Property Insurance:** Enter the proposed total of monthly payments for any other insurance the borrowers may need (e.g., flood, earthquake, etc.).
- 16 **Property Taxes:** Enter the proposed monthly property tax payment.
- 17 **Mortgage Insurance:** Enter the proposed monthly MI payment.



Your institution will tell you what factors to use to estimate property taxes and insurance costs specific to your market.

- 18 **Association/Project Dues:** If the property is in a condominium or Planned Unit Development (PUD) project, or a co-op, enter any dues/fees the borrowers are responsible for.
- 19 **Other:** Enter any other associated monthly cost for the property, such as ground rent on a leasehold.
- 20 **Total:** Enter the sum of items 12 through 19. This is the PITIA for the property.

Uniform Residential Loan Application — Lender Loan Information

This section is completed by your Lender.

L1. Property and Loan Information

Community Property State

- At least one borrower lives in a community property state.
 The property is in a community property state.

Transaction Detail

- Conversion of Contract for Deed or Land Contract
 Renovation
 Construction-Conversion/Construction-to-Permanent
 Single-Closing Two-Closing
 Construction/Improvement Costs \$ _____
 Lot Acquired Date ____/____/____ (mm/dd/yyyy)
 Original Cost of Lot \$ _____

Refinance Type

- No Cash Out
 Limited Cash Out
 Cash Out

Refinance Program

- Full Documentation
 Interest Rate Reduction
 Streamlined without Appraisal
 Other _____

Energy Improvement

- Mortgage loan will finance energy-related improvements.
 Property is currently subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien paid for through property taxes (e.g., the Property Assessed Clean Energy program).

Project Type Condominium Cooperative Planned Unit Development (PUD) Property is not located in a project

L2. Title Information

Title to the Property **Will** be Held in What Name(s):

Peter Simon and Elizabeth Simon

For Refinance: Title to the Property is **Currently** Held in What Name(s):

Estate Will be Held in

- Fee Simple
 Leasehold Expiration Date ____/____/____ (mm/dd/yyyy)

Manner in Which Title Will be Held

- Sole Ownership Joint Tenancy with Right of Survivorship
 Life Estate Tenancy by the Entirety
 Tenancy in Common Other

Trust Information

- Title Will be Held by an *Inter Vivos (Living)* Trust
 Title Will be Held by a Land Trust

Indian Country Land Tenure

- Fee Simple On a Reservation
 Individual Trust Land (*Allotted/Restricted*)
 Tribal Trust Land On a Reservation
 Tribal Trust Land Off Reservation
 Alaska Native Corporation Land

L3. Mortgage Loan Information

6 Mortgage Type Applied For

- Conventional USDA-RD
 FHA VA Other: _____

Terms of Loan

- 9 Note Rate 5.5000 %
 10 Loan Term 360 (months)

Mortgage Lien Type

- First Lien
 Subordinate Lien

7 Amortization Type

- Fixed Rate Other (explain): _____
 Adjustable Rate

If Adjustable Rate:

Initial Period Prior to First Adjustment _____ (months)
 Subsequent Adjustment Period _____ (months)

11 Proposed Monthly Payment for Property

12 First Mortgage (P & I)	\$ 1,022.02
13 Subordinate Lien(s) (P & I)	\$ _____
14 Homeowner's Insurance	\$ 95.00
15 Supplemental Property Insurance	\$ _____
16 Property Taxes	\$ 208.33
17 Mortgage Insurance	\$ 52.50
18 Association/Project Dues (Condo, Co-Op, PUD)	\$ _____
19 Other	\$ _____
20 TOTAL	\$ 1,377.85

8 Loan Features

- Balloon/ Balloon Term _____ (months)
 Interest Only / Interest Only Term _____ (months)
 Negative Amortization
 Prepayment Penalty / Prepayment Penalty Term _____ (months)
 Temporary Interest Rate Buydown/Initial Buydown Rate _____
 Other (explain): _____

Borrower Name(s): Peter Simon; Elizabeth Simon

Uniform Residential Loan Application — Lender Loan Information

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

URLA — Lender Loan Information (*continued*)

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back

This section tallies the funds due from or to the borrowers, based on the total costs of their transaction, loan amount and credits.

DUE FROM BORROWER(S):

- **A. Sales Contract Price:** For purchase loans only, enter the agreed-upon sales price stated in the sales contract/escrow instructions. Do not include any discounts, rebates or other allowances paid by or allowed to the borrowers
- **B. Improvements, Renovations, and Repairs:** Enter the cost of these items the borrowers need to or will make to the subject property as a condition of the transaction
- **C. Land (if acquired separately):** Enter the sales price of the land (lot) only if it was acquired in a separate transaction from the dwelling
- **D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction:** Enter the total amount of existing liens against the property the borrowers will pay off using funds from the transaction. See URLA Section 3a. Property You Own, Unpaid Balance/To be paid off at or before closing to determine the amount
- **E. Credit Cards and Other Debts Paid Off:** Enter the total amount of debt from URLA Section 2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe marked To be paid off at or before closing. Do not include mortgage debt secured by the property
- **F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments):** Enter the estimated costs the borrowers need to pay in order to close the loan: closing costs (e.g., origination fee); prepaid items (e.g., property taxes); initial escrow deposits (to start escrow accounts); and private mortgage insurance or equivalent
- **G. Discount Points:** Enter the amount paid to the lender to reduce the interest rate

TOTAL MORTGAGE LOANS:

- **I. Loan Amount:** The sum of the base loan amount and the financed mortgage insurance
 - **Loan Amount Excluding Financed Mortgage Insurance (or Mortgage Insurance Equivalent):** Enter the base loan amount before the inclusion of financed mortgage insurance or equivalent

- **Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount:** Enter the amount of mortgage insurance or equivalent that will be included
- **J. Other New Mortgage Loans on the Property...:** Enter the amount of any new loans that will be obtained by the borrower(s) and secured by the property at the same time as the subject loan. For example, the borrower is obtaining a new second mortgage with the same or different lender as the first mortgage. The amount you enter should match URLA Section 4b. Other New Mortgage Loans on the Property You are Buying or Refinancing

TOTAL CREDITS:

- **L. Seller Credits:** Enter the total costs, if any, that the seller is paying on behalf of the borrower
- **M. Other Credits:** Enter the amount the borrowers have paid already toward the transaction, in addition to amounts itemized in URLA Section 2b. Other Assets and Credits You Have. Examples include borrower credits (e.g., earnest money); lender credits; third-party credits (e.g., relocation funds); non-cash seller credits (e.g., trade equity), etc.

CALCULATION:

- **Cash From/To the Borrower:** Enter the amount the borrowers must pay to complete the mortgage transaction or the amount they will receive as a result of the transaction. Compare this amount to the amounts entered in URLA Sections 2a. Assets – Bank Account, Retirement, and Other Accounts You Have and 2b. Other Assets and Credits You Have to confirm the borrowers have sufficient funds to close the mortgage transaction. This does not include reserves or other funds your company may require you to verify.

L4. Qualifying the Borrower – Minimum Required Funds or Cash Back

DUE FROM BORROWER(S)	
A. Sales Contract Price	\$ 200,000.00
B. Improvements, Renovations, and Repairs	\$
C. Land (if acquired separately)	\$
D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction (See Table 3a. Property You Own)	\$
E. Credit Cards and Other Debts Paid Off (See Table 2c. Liabilities — Credit Cards, Other Debts, and Leases that You Owe)	\$
F. Borrower Closing Costs (including Prepaid and Initial Escrow Payments)	\$ 3,739.78
G. Discount Points	\$
H. TOTAL DUE FROM BORROWER(s) (Total of A thru G)	\$ 203,739.78
TOTAL MORTGAGE LOANS	
I. Loan Amount Loan Amount Excluding Financed Mortgage Insurance (or Mortgage Insurance Equivalent) \$180,000.00 Financed Mortgage Insurance (or Mortgage Insurance Equivalent) Amount \$ _____	\$ 180,000.00
J. Other New Mortgage Loans on the Property the Borrower(s) is Buying or Refinancing (See Table 4b. Other New Mortgage Loans on the Property You are Buying or Refinancing)	\$
K. TOTAL MORTGAGE LOANS (Total of I and J)	\$ 180,000.00
TOTAL CREDITS	
L. Seller Credits (Enter the amount of Borrower(s) costs paid by the property seller)	\$ 3,350.00
M. Other Credits (Enter the sum of all other credits — Borrower Paid Fees, Earnest Money, Employer Assisted Housing, Lease Purchase Fund, Lot Equity, Relocation Funds, Sweat Equity, Trade Equity, Other)	\$
N. TOTAL CREDITS (Total of L and M)	\$ 3,350.00
CALCULATION	
TOTAL DUE FROM BORROWER(s) (Line H)	\$ 203,739.78
LESS TOTAL MORTGAGE LOANS (Line K) AND TOTAL CREDITS (Line N)	– \$ 183,350.00
Cash From/To the Borrower (Line H minus Line K and Line N) NOTE: This amount does not include reserves or other funds that may be required by the Lender to be verified.	\$ 20,389.78

Borrower Name(s): Peter Simon; Elizabeth Simon

Uniform Residential Loan Application — Lender Loan Information

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

URLA — Unmarried Addendum

Completing this component of the Loan App may be optional:

- It may be used only when a borrower selected *Unmarried* for Marital Status on the URLA or URLA — Additional Borrower under Section 1a. Personal Information, AND
- The information must be collected to determine how state property laws affecting creditworthiness apply, including ensuring clear title



You'll need to provide the Lender Loan Number/ Universal Loan Identifier and Agency Case Number information requested at the very top of the form and the borrower's name at the bottom of the page.

For Borrowers Selecting the Unmarried Status

- 1 **If you selected "Unmarried" in Section 1:** Indicate whether the borrower has a relationship with a person who is not a legal spouse but who currently has real property rights similar to those of a legal spouse.
- 2 **If YES, indicate the type of relationship and the State in which the relationship was formed:** Select the applicable relationship type and provide the state where the borrower resides or where the property is located.

To be completed by the Lender:

Lender Loan No./Universal Loan Identifier _____

Agency Case No. _____

Uniform Residential Loan Application — Unmarried Addendum

For Borrower Selecting the Unmarried Status

Lenders Instructions for Using the Unmarried Addendum

The Lender may use the Unmarried Addendum only when a Borrower selected "Unmarried" in Section 1 and the information collected is necessary to determine how State property laws directly or indirectly affecting creditworthiness apply, including ensuring clear title.

For example, the Lender may use the Unmarried Addendum when the Borrower resides in a State that recognizes civil unions, domestic partnerships, or registered reciprocal beneficiary relationships or when the property is located in such a State. "State" means any state, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

1 If you selected "Unmarried" in Section 1, is there a person who is not your legal spouse but who currently has real property rights similar to those of a legal spouse? NO YES

2 If YES, indicate the type of relationship and the State in which the relationship was formed. For example, indicate if you are in a civil union, domestic partnership, registered reciprocal beneficiary relationship, or other relationship recognized by the State in which you currently reside or where the property is located.

Civil Union Domestic Partnership Registered Reciprocal Beneficiary Relationship Other (explain) _____

State:

Borrower Name:

Uniform Residential Loan Application — Unmarried Addendum

Freddie Mac Form 65 • Fannie Mae Form 1003

Effective 1/2021

URLA — Continuation Sheet

You have the option of using the URLA — Continuation Sheet to provide information that doesn't fit in the URLA or URLA — Additional Borrower or for any other information related to the Loan App.

Note: You'll need to provide the Lender Loan Number/Universal Loan Identifier and Agency Case Number information requested at the very top of the form.

Be sure to obtain the borrowers' signatures to indicate they acknowledge and agree supplemental information is accurate.

To be completed by the **Lender:**

Lender Loan No./Universal Loan Identifier _____ Agency Case No. _____

Uniform Residential Loan Application — Continuation Sheet

Continuation Sheet

Use this continuation sheet if you need more space to complete the Uniform Residential Loan Application.

Borrower Name (First, Middle, Last, Suffix) _____

Additional Information

Additional Borrower Name (First, Middle, Last, Suffix) _____

Additional Information

I/We fully understand that it is a federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of federal law (18 U.S.C. §§ 1001 *et seq.*).

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

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

Measure Twice, Cut Once

It's an old carpenters' adage – a gentle reminder to check your work so you don't have to redo it. It applies to completing a Loan App as well. Check your work. Go over the information you've gathered. If anything is missing or confusing, contact your borrowers right away for answers and clarification.

Remember, your borrowers are your customers. They will anxiously await the answer regarding their mortgage application. After all, it's a life-changing event. Asking late in the process for information that should have been obtained initially can be upsetting to them. Take time to get it right the first time. Thoroughness upfront will build your value and professionalism in the eyes of your customers and other industry professionals.

Appendix A

Loan File Checklist

This checklist will help you assemble loan packages for submission to underwriters and investors. By making sure each loan package contains the following information, you can expedite the mortgage process. Note the term “borrowers” refers to both multiple borrowers or a single borrower.

Many investors have their own checklists or submission sheets. Check individual investors’ submission and documentation requirements.

Uniform Residential Loan Application (URLA) – Fannie Mae Form 1003, Freddie Mac Form 65 or other approved equivalent

- Completed in full, including a 2-year residency and employment history
- Occupancy status is indicated
- Information matches verification documents

Credit Report

- All supplements, including a public records examination
- All open credit accounts are listed on the Loan App
- Reflects 2 to 3 credit scores per borrower

Additional Credit Documentation

- Direct verification for any accounts not listed on the credit report
- Letter of explanation for any adverse items

AUS Feedback/Findings Report

- Most recent report and all pages
- Data submitted is accurate
- All required documentation has been obtained

Verification of Income Documentation

- Pay stub(s) for the most recent 30-day period with year-to-date earnings, AND
- W-2 forms for the previous 2 years
- Third-party vendor employment verification
- Employment gaps explained
- Documented telephone verification

Self-Employed Documentation

- 2 years’ signed personal tax returns with schedules AND
- If ownership is $\geq 25\%$, 2 years’ signed business tax returns
- Income analysis forms

Verification of Assets

- Verified funds are sufficient for closing and/or reserves
- The most recent 2 months’ depository account statements with all pages
- Source of funds: Document any significant changes in account balances or any recently opened accounts
- A signed gift letter from an acceptable donor and evidence the borrowers received the gift funds

Fannie Mae/Freddie Mac Uniform Residential Appraisal Report or Other Approved Equivalent

- Photos of subject property, street scene and comparables
- Building sketch and location map
- All addenda and explanations

Sales Contract and/or Escrow Instructions

- Completed in full, including all addenda and signed by all parties
- Verified earnest money deposit (cancelled checks, depository account statements)

Additional Documents Your Company or Investors May Require, as Applicable

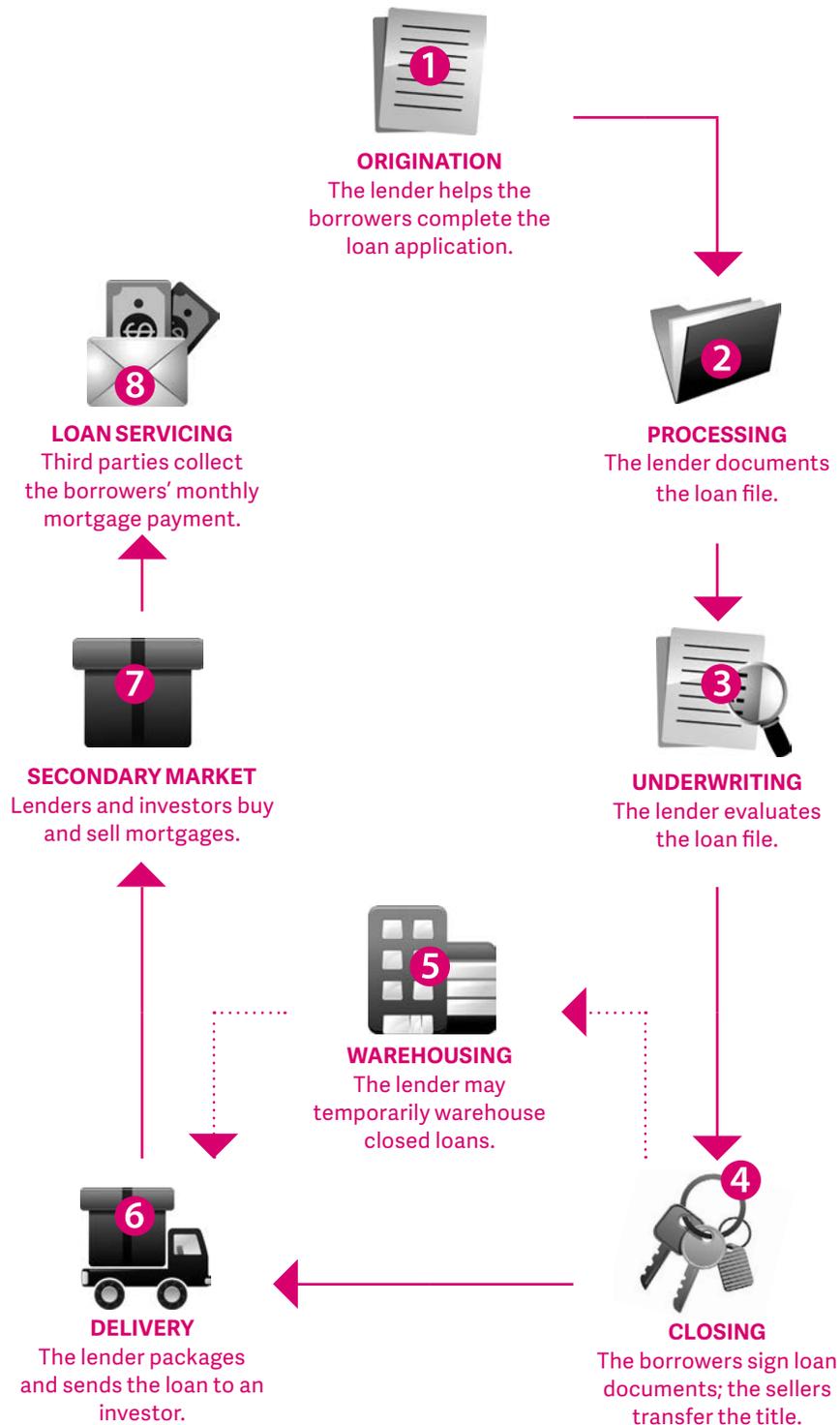
- Divorce decree/separation agreement
- Verification of child support/alimony if the borrower is using such income to qualify or is obligated to pay support/alimony
- Signed construction cost breakdown
- Rental agreements or leases
- Any other clarifying documents
- Bankruptcy filing statement, schedule of debts, discharge and explanation

Generally, documents must not be more than 120 days old from the date of the note.

Loan File Checklist is provided by Mortgage Guaranty Insurance Corporation.

Appendix B

The 8 Stages of the Mortgage Cycle



**mortgage guaranty
insurance corporation**

MGIC Plaza
Milwaukee, WI 53202
mgic.com

©2020 Mortgage Guaranty
Insurance Corporation
All rights reserved

71-42871 12/20