



Dear NJ Gateway Federal Credit Union Member/ Applicant:

We are pleased that you have chosen NJ Gateway Federal Credit Union (NJ Gateway FCU) for your mortgage needs. Please find enclosed all of the necessary documents to begin the application process. There may be additional items that we will need in order to complete the application/ approval process. A letter will follow shortly after your application has been received detailing such information.

Our staff is here to assist you with your questions and the application process.

Enclosed is an application checklist, which will detail most of the documentation/ forms, which must be supplied to the credit union. Please complete the necessary forms and supply the documentation in the enclosed envelope. This package may be dropped off at the credit union branch, or, it may be sent to the attention of the mortgage department by mail to the following address:

NJ Gateway Federal Credit Union
P.O. Box 420
Dayton, NJ 08810
ATTN: Lending Dept.

We look forward to assisting your mortgage needs. If you have any questions, please feel free to contact us at 888-385-5782

Sincerely,

NJ Gateway Federal Credit Union



Application Fee Disclosure Form

Name: _____

Name: _____

Dear Mortgage Loan Applicant:

You have decided to apply for a mortgage loan through NJ Gateway FCU. The credit union requires that you pay an application fee of \$250.00 as part of your application process. This fee is fully refundable upon closing or denial (provided an appraisal has not been issued) of your mortgage loan.

Upon receipt of the application fee and a completed application package, NJ Gateway Federal Credit Union will begin the processing of your request. As part of the processing, the credit union will obtain a credit report on all of the borrowers, an appraisal of the property, as well as additional information and documentation necessary to make a decision. We estimate that it will take approximately 3 weeks before a final decision can be made. If we subsequently determine that the above estimate is unrealistic, we may return the application and all fees to you and offer you the opportunity to reapply. You may also be entitled to a refund pursuant to NJAC 3:1-16.3.

If you have any questions regarding the processing of your application, please feel free to contact us at 888-385-5782.

Yours truly,

Lending Department
NJ Gateway Federal Credit Union

I/We, the borrower(s) referred to above, acknowledge receipt of this form.

Borrower

Date

Co-Borrower

Date



MORTGAGE APPLICATION CHECKLIST

(Borrower and Co-Borrower)

Please provide the following information/ items checked with your mortgage application package:

- Mortgage application completed, signed and dated by **All** applicants
- Information Sheet form
- Authorization to Release Financial Information form
- Additional Information form
- Source of Funds form (Required for closing funds, downpayment, etc.)
- Gift Letter form (ONLY if applicable)
- Contract of Sale signed by all parties (**Purchase Only**)
- Copy of Deed (**Refinances Only**)
- Copy of your last two years W-2 forms
- Original**, most recent paystub(s) to cover one full month
- For self-employed borrowers, please provide a copy of your last two years Federal Tax Returns *re-signed and re-dated in ink with current date*. If applicable, please provide this information for personal and business filings. Tax returns must include **All** schedules.
- Year-to-date Profit and Loss Statement for business
- Application fee of \$250.00 (Applied to cost of appraisal and credit review)
- Lock-In agreement. If locking-in, lock-in fee of 1%
- Application Fee Disclosure Form
- Original statements covering the past three months from all assets being used for down payment and/or closing costs.



AUTHORIZATION TO RELEASE FINANCIAL INFORMATION

I/We have applied for a mortgage loan with **NJ Gateway Federal Credit Union**. In applying for this loan, I/We have completed a loan application, which contains various information on its purpose. This information includes (but is not limited to) the amount and source of the down payment, employment and income information, as well as assets and liabilities. I/We certify that all of the information is true and complete. I/We made no misrepresentations in the loan application or other documents, nor did I/We omit any pertinent information.

I/We understand and agree that **NJ Gateway Federal Credit Union** reserves the right to change the mortgage loan review process to a full documentation program. This may include verifying the information provided on the application with the employer and/or the financial institution.

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

To Whom It May Concern:

I/We have applied for a mortgage loan with **NJ Gateway Federal Credit Union**. As a part of their loan application process, **NJ Gateway Federal Credit Union** may verify information contained in the application and/or other documents supplied in connection with the loan, either before the loan is closed or as a part of its quality control program.

I/We authorize you to provide to the **NJ Gateway Federal Credit Union**, and to any investor whom **NJ Gateway Federal Credit Union** may sell the mortgage, any and all information and documentation that they request. Such information includes, but is not limited to, employment history and/or income; bank, money market, investment, and similar account balances; credit history; and copies of income tax returns.

NJ Gateway Federal Credit Union, or any investor that purchases the mortgage may address this authorization to any party named in the loan application.

A copy of this authorization may be accepted as an original.

Your prompt reply to **NJ Gateway Federal Credit Union** or the investor that purchased the mortgage is appreciated.

Borrower's Signature

Date

Social Security Number

Borrower's Signature

Date

Social Security Number



INFORMATION SHEET

Applicants Name _____
First Middle Last

Address _____
Street Number/ Name City State Zip Code

Co-Applicant Name _____
First Middle Last

Address _____
Street Number/ Name City State Zip Code

Primary Applicant E-mail Address _____

Co-borrower Email Address _____

Married____ Single____ Divorced____ Separated____ Widowed/Widower____

Purchase____ Refinance____
Single Family (Primary Residence)____ Condo.____ Townhouse____
Two-Four Family____ One-Four Family (**Investment Property**)____

Lot # _____ **Block #** _____ **City Water** _____
Gas _____ **City Sewer** _____
Well _____ **Septic Tank** _____

Have any improvements been made within the past four months? Yes____ No____



ADDITIONAL INFORMATION SHEET

Seller's Name _____
First Middle Last

Seller's Attorney Information: Name _____
First Middle Last

Address _____

Phone # () _____ - _____

Fax # () _____ - _____

Buyer's/ Refinance Closing Agent Information: Name _____
First Middle Last

Address _____

Phone # () _____ - _____

Fax # () _____ - _____

Real Estate Agent Information: Name _____
First Middle Last

Phone # () _____ - _____

Fax # () _____ - _____

Contact Information: Name _____
(For access to the premises) First Middle Last

Phone # () _____ - _____

Best time to call _____ a.m./p.m.

Approximate Real Estate Taxes \$ _____ / year



ESTIMATED CLOSING COSTS*

Application Fee		None (\$250.00 refunded at closing)**
Point's	0-3 Points are available	0% to 3% of loan amount
Credit Review Fee		\$55.00 per applicant
Appraisal Fee	One Family (varies based on location) Two Family (varies based on location) Three or Four Family (varies based on location)	\$325.00 <i>and up</i> \$450.00 <i>and up</i> \$575.00 <i>and up</i>
Members Attorney/ Closing Agent Fee		approx. \$600.00 <i>and up</i>
C.U. Attorney Review Fee		\$325.00
Flood Certification Fee		\$18.00
Tax Service Fee		\$91.00 to \$106.00
Title Insurance	Contact your closing agent	approx. \$600.00 - \$2500.00
Survey	Contact closing agent (refinance-valid 10 years With no property changes)	approx. \$350.00
Inspection Fees	Pest Inspection Radon Test (below 4.0 pico curie liters) Well Water Test Septic Tank Inspection	approx. \$75.00 <i>and up (if req.)</i> approx. \$100.00 <i>and up (if req.)</i> approx. \$150.00 <i>and up (if req.)</i> approx. \$150.00 <i>and up (if req.)</i>
Prepaid Interest	From closing date to the end of that month	loan amt. x interest/ 365 x # of days

ESCROW*

Real Estate Taxes	Up to six months in New York. Other locations vary depending on current payment requirements; approximately 3 months plus amount due to seller as reimbursement of taxes already paid by the seller.
Homeowner's Insurance	One years' premium paid prior to closing plus two months collected at closing.
PMI	Three months premium collected at closing.

* These fees are estimates only of "typical" closing fees. Other fees may be applied. Actual closing costs will vary. This is for estimate information purposes only. **Please refer to application fee disclosure for more details.



SOURCE OF FUNDS FORM

I/We _____
certify that I/We have made a deposit of \$ _____ as a down payment on real estate
with the property address of _____
in the town of _____, county of _____
and state of _____. These funds were drawn off of cleared funds
in my account. The check number is _____. The current account balance is _____.
The funds were drawn off of my account with _____
account number _____.

I/We are anticipating a total down payment on said property of _____%. The total of this down
payment will be (purchase price less amount being financed) \$ _____.
The funds for this down payment will be obtained from the following source(s):

<u>Institution Name and Account Number</u>	<u>Current Balance</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

I/We certify that the above information is true and the funds used for down payment on the property were not
borrowed or gifted. I/We understand that NJ Gateway Federal Credit Union will verify the information contained
on this form.

Borrower's Signature

Date

Co-Borrower's Signature

Date



Mortgage Interest Rate Lock-In Request and Agreement

Date _____ Member Name _____

Property Address _____

Loan Amount _____ Term _____ Program: Fixed _____ Arm _____

Estimated Closing Date _____ Members Fax Number _____

NJ Gateway Federal Credit Union allows the member to choose between “floating” an interest rate or to “lock-in” a rate and points combination for 60 days, during which the rate and points will not fluctuate. To request a “lock-in”, you must submit a complete mortgage loan application and you must initial choice 2 below and sign this form. Please read carefully the agreement below before making a final decision on “floating” the interest rate or “locking-in” the interest rate. We can not predict or recommend rates nor will we modify in any way the terms of the Lock-in Agreement.

CHOICE 1. FLOAT OPTION (I/We do not want to lock-in at this time)

I/We would like to allow my/our interest rate to float and will decide at a later time to lock-in if I/we so choose. I/We realize it is my/our responsibility to monitor the current interest rates and contact NJ Gateway FCU if I/we do decide to secure a lock-in rate. If I/we do decide to reserve an interest rate, it is understood that it is my/our responsibility to obtain a new Mortgage Interest Rate Lock-In Request and Agreement form and fax it to 732-329-8624 prior to 10:00am. I/We understand that the credit union may restrict or suspend the lock-in reservation if not received prior to 10:00am at any time and therefore, I/we may not be able to lock-in at a later date. If I do not have a valid lock-in placed, an interest rate will be locked-in (“funding lock”) by the credit union five (5) days prior to the scheduled closing date. The rate and points of this “funding lock” are the rates and points effective five (5) business days prior to closing. This rate will be valid for ten (10) business days.

INITIAL HERE TO CHOOSE THIS OPTION: _____

CHOICE 2. INTEREST RATE LOCK-IN RESERVATION

I/We hereby request that NJ Gateway Federal Credit Union lock-in my/our mortgage loan rate for:

_____ **Sixty (60) calendar days, or**
_____ **Ninety (90) calendar days. (Add 1/4th of one percent to the prevailing interest rate quote)**

This rate will expire on: _____ at a _____ % interest rate with _____ points.
I/We agree to pay a lock-in fee equal to 1% of the loan amount. This fee will be \$_____ and is due within five (5) days of signing this request. This lock-in is not valid until countersigned by NJ Gateway FCU lending personnel. If this agreement is received by mail, it will not be effective until signed by NJ Gateway FCU lending personnel. I/We understand that I/we have the right to rescind this agreement until the time I/we receive a copy of this agreement signed by NJ Gateway FCU lending personnel. The acceptance of this agreement may be sent via mail or fax. If confirmation is sent via U.S. mail, I/we may rescind this agreement up until the third business day of the day confirmation was mailed by the credit union. I/We understand rescission must be submitted in written form and written notice will be effective upon mailing. Once a rate lock has been made and confirmed, the Interest rate may not be lowered. **Based upon current Risk Based Lending guidelines, the rate chosen may be increased by NJ Gateway FCU if it is determined that the borrower does not qualify for the advertised rate.**

INITIAL HERE TO CHOOSE THIS OPTION: _____

Mortgage Interest Rate Lock-In Request and Agreement (Continued)

TERMS OF THIS AGREEMENT

NJ Gateway Federal Credit Union reserves the right to deny acceptance of this agreement if it is not completed in full and the funds are not received by the lending department, payable in good funds within three (3) business days after execution. The lock-in fee will be applied towards any points I/we have chosen, or, refunded in full if I/we have not chosen a point option (provided that the loan is closed under the terms of the Lock-In Agreement). NJ Gateway FCU will make a good faith effort to process your mortgage loan application and/or stand ready to fulfill the terms of its commitment before the expiration of the lock-in agreement and any extension thereof. In the event a commitment is issued and I/we elect not to close, or if I/we provide incorrect or incomplete information of any kind, I/we understand that I/we may forfeit some or all of the lock-in fee. The lock-in fee shall be refunded only in the event that the NJ Gateway FCU fails to close the loan within the lock-in period due to no substantial fault of my/our own or my/our agents', or declines your application for a mortgage loan. I/We understand that if the loan does not close within the lock-in period through no fault of NJ Gateway FCU, my/our loan WILL close at the higher of the locked-in rate or the prevailing market rate at the time of settlement. If my/our lock-in period expires before I/we close and the delay is due to no substantial fault of my/our own or my/our agents', I/we have the following options: 1. NJ Gateway FCU will extend the interest rate for fourteen (14) days, or, if no commitment has been issued, fourteen (14) days upon issuance. NJ Gateway FCU will also extend the lock-in period for fourteen (14) days, and, will modify the lock-in agreement so that the mortgage loan is closed at a rate and points which are no higher than the prevailing market; or 2. I/We may withdraw my/our application and NJ Gateway FCU will refund to me/us any lock in fees. My/Our right to withdraw and obtain a refund or extend the agreement is not available to me/us if the failure to close was my/our "substantial fault". This means that I/we, or my/our agent fails to provide required documentation to the credit union and/or its attorney in a timely manner (seven (7) calendar days after request) or, if I/we, or my/our agent provides information which proves to be "significantly inaccurate" (as explained below), if I/we or my/our agent fails to provide documentation specified in the closing conditions, or fail to be ready, willing and able to close on the date specified by the credit union, the delay will be deemed to be my/our fault and my/our right to withdraw and obtain a refund or extend this agreement can not be exercised. My/Our inability to liquidate assets or the inability of my/our contract seller to convey title of the property to me/us shall be considered "customer fault" for the purpose of this agreement. Information provided by me/us or my/our agents is "significantly inaccurate" if the correct information would, in a reasonable opinion of the credit union, cause me/us to be disqualified for the type of loan in which I/we applied or cause the secondary market source, if any, for which the loan is being originated to refuse purchase of the loan. For the purpose of this loan, my/our agent is a person(s), or entity hired, contracted or requested by me/us to supply information or documentation to NJ Gateway FCU or conduct the closing.

MEMBER ACKNOWLEDGEMENT

I/We understand the "float" and "lock" options available to me/us on my mortgage loan application. I/We have decided to make the choice above without any influence from any NJ Gateway FCU representatives. I/we have read and understand this agreement and my/our rights under the same. I/We understand that a lock-in reservation is only valid upon acceptance by NJ Gateway FCU, and such acceptance is dependant upon prevailing market conditions; that NJ Gateway FCU will provide written acceptance or denial of this reservation, and that acceptance by NJ Gateway FCU will not constitute a commitment to grant the loan request. It is understood that representatives of NJ Gateway FCU do not have the ability to forecast movement of the market and are not authorized to do so. This lock-in applies to the loan program and property specified above and is not transferable. This lock-in is valid for the day it was locked and not necessarily the rate. NJ Gateway FCU offers various mortgage programs to members not qualifying for "A" credit interest rates. The interest rate reserved may be higher based upon current Risk Based Lending guidelines. I/We understand that if I/we choose not to continue with the mortgage process after being informed of a Risk Based Rate, the lock-in fee will be refunded in full.

Borrower's Signature: _____
Please Print Your Name: _____

Date: _____

Co-Borrower's Signature: _____
Please Print Your Name: _____

Date: _____

NJ Gateway FCU Lending Personnel: (____) Accepted (____) Denied By: _____ Date _____



WHY YOU NEED A FLOOD CERTIFICATE

You do not have to own oceanfront property to be in a flood hazard zone. Creeks, rivers, lakes, and underground springs all have the potential to destroy your property. Your home may be at risk and you may not even be aware. Most homeowners' insurance policies do not cover damage caused by a flood.

In response to this danger, the United States government has geographically mapped areas with the highest potential for flooding. Before NJ Gateway Federal Credit Union will approve your loan, a determination must be made on whether you are or are not in a flood hazard zone. If your home does exist in a flood hazard zone, you must obtain the required flood insurance coverage to protect yourself and your property from damage.

NJ Gateway Federal Credit Union uses an independent company to determine if your property is in a flood zone. This company possesses the expertise needed to make the most accurate determination. In addition, they offer you, the homeowner these guarantees:

- If the company incorrectly determines that your property is in a flood hazard zone and you have purchased flood insurance, they will refund any premiums you have paid.

- If the company incorrectly determines that your property is not in a flood hazard zone and you suffer an uninsured loss, they will cover that loss.

- Since flood zones shift over time, the company will check your flood hazard zone status periodically as long as you have a loan with NJ Gateway Federal Credit Union.

Mortgage Essentials

THE MORTGAGE CONNECTION:

This may be the biggest investment decision you will ever make, and will most likely be the largest purchase. NJ Gateway Federal Credit Union is here to assist you with all of your mortgage needs. After all, you want to do business with people you trust.

NJ Gateway Federal Credit Union offers both fixed and adjustable rate mortgages with terms up to 30 years. Our loans offer low interest rates and closing costs. We are here for you and ready to assist you in determining what mortgage may be best suited for your needs.

ADJUSTABLE RATE MORTGAGES

Adjustable rate mortgage (ARM) offers a lower initial mortgage payment; therefore it may be an easier way to qualify for a mortgage loan. This loan may help you qualify for more of a home. The initial interest rate is a low, discounted rate. The subsequent rates change on an annual basis (not to exceed 2% up or down of the current rate) and have a lifetime cap; preventing the rate from going up significantly. This loan amortizes over 30-years.

The closing costs on this loan remain the same as with a fixed rate mortgage and you may lock into a rate upon application for 60 days.

HOW DO I PAY?

There are several ways of making a mortgage payment with NJ Gateway Federal Credit Union. You may make a payment through automatic payment transfers from your credit union account, mail, or via the Internet. You may also use our 24-hour telephone service: "Call 24,"

Whichever way you decide to make your payments, there are no prepayment penalties. Additional payments may be made in any amount, at any time. You may pay off your principal balance at any time, ahead of schedule; again without penalty.

Once you have closed on your mortgage, unlike other lenders we will not sell your loan for **servicing**. The servicing of your mortgage will remain at the credit union. This means assistance is always available to you by a credit union representative.

DO I QUALIFY?

All NJ Gateway Federal Credit Union members are eligible to apply for a mortgage through the credit union. NJ Gateway Federal Credit Union finances loans in New Jersey and soon in many states throughout the U.S for both owner occupied and Investment Property homes. We also offer pre-qualifications to help you determine how much of a house you will be able to afford.

CAN I SECURE AN INTEREST RATE?

Yes. You may lock into an interest rate at any time from the day you submit a complete mortgage application package. Mortgage rate lock-in's are valid for sixty (60) days from the day you lock a rate. A lock-in guarantees you that

rate provided that you close on your mortgage loan within the agreed upon time frame. This will enable you to budget your finances by having a firm idea on a monthly mortgage payment. And, with fixed rate mortgages your principal and interest payment will never change. Lock-in rates are available on 0-3 point mortgage loans. Contact NJ Gateway Federal Credit Union for more details.

WHAT CAN I AFFORD?

Approval on a mortgage is dependent on two factors relating to income. One is your total monthly mortgage payment (PITI) and the other is your total monthly debt. Both of these amounts are then divided into your gross monthly income. Your monthly mortgage payment should be 28% or below and your total monthly debt (which includes the new mortgage payment amount and all minimum debt payments) should be 36% or below. To see how much you may qualify for we've provided you with a worksheet:

Income Ratio Method (28%)

_____ Gross yearly income
_____/12_____ (Divided by 12 months)
_____X.28_____ (Multiplied by 28%)
_____ Equals maximum monthly mortgage payment (including principal, interest, taxes and insurance).

EXAMPLE:

\$50,000.00 yearly income
Divided by 12 months = \$4166.66 per month.
\$4166.66 X 28% = **\$1166.66** (mortgage payment should not exceed this amount)

Debt Ratio Method (36%)

_____ Gross monthly income
_____X.38_____ (Multiplied by 36%)
_____ Equals maximum monthly debt allowance (including new mortgage payment, installment loans, credit card, and other consumer debt).

EXAMPLE:

\$4166.66 gross monthly income
X36% = \$1499.99 (maximum debt amount)

Please feel free to contact a credit union representative for answers to any questions you have at 888-385-5782.

