



THE HOMEOWNERS CONSUMER CENTER

Free Essential Mortgage Advice For All US Homeowners

THE MUST KNOW MORTGAGE GUIDE FOR ALL HOMEOWNERS

Americas Watchdog Estimates 8 out of 10 homeowners get Over Charged or Cheated when financing or refinancing a home.

AN EXPLANATION OF STANDARD MORTGAGE FORMS FOR ALL US HOMEOWNERS.

**Answers: To Basic Questions Related To Standard Mortgage Forms Used By All US Homeowners.
Forms Covered:**

- 1. The Standard Mortgage Application Form**
- 2. The Truth In Lending Disclosure Form**
- 3. The Good Faith Estimate**
- 4. The HUD-1 Settlement Statement**



THE STANDARD MORTGAGE APPLICATION FORM

Fannie Mae Form 1003

Do's.

- 1. Be honest in filing out this form. Take your time and be sure to honestly complete the application.**
- 2. Do not exaggerate how much you earn or how much you have in your bank accounts, or retirement accounts.**
- 3. Only sign this form after you have reviewed the information and you are certain that it is accurate.**

Don'ts.

- 1. Do not under any circumstance sign the signature line of the form, and allow the mortgage lender or broker to fill in the blanks for you. We have seen too many cases where the lender or mortgage broker lied about the borrowers financial capabilities.**
- 2. Do not over state anything on the mortgage application form. Be honest.**



**SAMPLE COPY OF A MORTGAGE APPLICATION
FORM**

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower," as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

| | | | |
|---|--------------------|--|--|
| <u>Borrower</u> | <u>Co-Borrower</u> | I. TYPE OF MORTGAGE AND TERMS OF LOAN | |
| Mortgage Applied for: <input type="checkbox"/> VA <input type="checkbox"/> Conventional <input type="checkbox"/> Other (explain): <input type="checkbox"/> FHA <input type="checkbox"/> USDA/Rural <input type="checkbox"/> Housing Service | | Agency Case Number | Lender Case Number |
| Amount \$ | Interest Rate % | No. of Months | Amortization Type: <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (explain): <input type="checkbox"/> GPM <input type="checkbox"/> ARM (type): |

| | | | | | |
|---|------------------|--------------------------|--|------------------------------------|---|
| II. PROPERTY INFORMATION AND PURPOSE OF LOAN | | | | | |
| Subject Property Address (street, city, state & ZIP) | | | | | No. of Units |
| Legal Description of Subject Property (attach description if necessary) | | | | | Year Built |
| Purpose of Loan <input type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain): <input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent | | | Property will be: <input type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment | | |
| <i>Complete this line if construction or construction-permanent loan.</i> | | | | | |
| Year Lot Acquired | Original Cost \$ | Amount Existing Liens \$ | (a) Present Value of Lot \$ | (b) Cost of Improvements \$ | Total (a + b) \$ |
| <i>Complete this line if this is a refinance loan.</i> | | | | | |
| Year Acquired | Original Cost \$ | Amount Existing Liens \$ | Purpose of Refinance | Describe Improvements | <input type="checkbox"/> made <input type="checkbox"/> to be made |
| Title will be held in what Name(s) | | | | Manner in which Title will be held | Estate will be held in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date) |
| Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain) | | | | | |

| | | | | | | | | | | | |
|---|------------------------------|---|-------------|---|------------------------------|---|-------------|--------------------|--|---|--|
| Borrower | | | | III. BORROWER INFORMATION | | | | Co-Borrower | | | |
| Borrower's Name (include Jr. or Sr. if applicable) | | | | Co-Borrower's Name (include Jr. or Sr. if applicable) | | | | | | | |
| Social Security Number | Home Phone (incl. area code) | DOB (mm/dd/yyyy) | Yrs. School | Social Security Number | Home Phone (incl. area code) | DOB (mm/dd/yyyy) | Yrs. School | | | | |
| <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) | | Dependents (not listed by Co-Borrower) | | <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) | | Dependents (not listed by Borrower) | | | | | |
| Present Address (street, city, state, ZIP) | | <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs. | | Present Address (street, city, state, ZIP) | | <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs. | | | | | |
| Mailing Address, if different from Present Address | | | | Mailing Address, if different from Present Address | | | | | | | |
| <i>If residing at present address for less than two years, complete the following:</i> | | | | | | | | | | | |
| Former Address (street, city, state, ZIP) | | | | <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs. | | Former Address (street, city, state, ZIP) | | | | <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs. | |

| | | | | | | | | | | | |
|---------------------------------|--|--|--|---|--|----------------------------------|--|--|--|---|--|
| Borrower | | | | IV. EMPLOYMENT INFORMATION | | | | Co-Borrower | | | |
| Name & Address of Employer | | <input type="checkbox"/> Self Employed | | Yrs. on this job | | Name & Address of Employer | | <input type="checkbox"/> Self Employed | | Yrs. on this job | |
| | | | | Yrs. employed in this line of work/profession | | | | | | Yrs. employed in this line of work/profession | |
| Position/Title/Type of Business | | Business Phone (incl. area code) | | Position/Title/Type of Business | | Business Phone (incl. area code) | | | | | |

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

| Borrower | | IV. EMPLOYMENT INFORMATION (cont'd) | | Co-Borrower | |
|---------------------------------|--|-------------------------------------|---------------------------------|--|-------------------|
| Name & Address of Employer | <input type="checkbox"/> Self Employed | Dates (from - to) | Name & Address of Employer | <input type="checkbox"/> Self Employed | Dates (from - to) |
| | | Monthly Income | | | Monthly Income |
| | | \$ | | | \$ |
| Position/Title/Type of Business | Business Phone (incl. area code) | | Position/Title/Type of Business | Business Phone (incl. area code) | |
| Name & Address of Employer | <input type="checkbox"/> Self Employed | Dates (from - to) | Name & Address of Employer | <input type="checkbox"/> Self Employed | Dates (from - to) |
| | | Monthly Income | | | Monthly Income |
| | | \$ | | | \$ |
| Position/Title/Type of Business | Business Phone (incl. area code) | | Position/Title/Type of Business | Business Phone (incl. area code) | |

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

| Gross Monthly Income | Borrower | Co-Borrower | Total | Combined Monthly Housing Expense | Present | Proposed |
|---|----------|-------------|-------|----------------------------------|---------|----------|
| Base Empl. Income* | \$ | \$ | \$ | Rent | \$ | |
| Overtime | | | | First Mortgage (P&I) | | \$ |
| Bonuses | | | | Other Financing (P&I) | | |
| Commissions | | | | Hazard Insurance | | |
| Dividends/Interest | | | | Real Estate Taxes | | |
| Net Rental Income | | | | Mortgage Insurance | | |
| Other (before completing, see the notice in "describe other income," below) | | | | Homeowner Assn. Dues | | |
| | | | | Other: | | |
| Total | \$ | \$ | \$ | Total | \$ | \$ |

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income

Notice: Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

| B/C | Monthly Amount |
|-----|----------------|
| | \$ |
| | |
| | |

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed about that spouse or other person also.

Completed Jointly Not Jointly

| ASSETS | Cash or Market Value | LIABILITIES | | |
|---|----------------------|--|--------------------------------------|----------------|
| Description | | Name and address of Company | Monthly Payment & Months Left to Pay | Unpaid Balance |
| Cash deposit toward purchase held by: | \$ | <small>Liabilities and Pledged Assets. List the creditor's name, address, and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities, which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.</small> | | |
| <i>List checking and savings accounts below</i> | | | | |
| Name and address of Bank, S&L, or Credit Union | | Name and address of Company | \$ Payment/Months | \$ |
| Acct. no. | \$ | Acct. no. | | |
| Name and address of Bank, S&L, or Credit Union | | Name and address of Company | \$ Payment/Months | \$ |
| Acct. no. | \$ | Acct. no. | | |
| Name and address of Bank, S&L, or Credit Union | | Name and address of Company | \$ Payment/Months | \$ |
| Acct. no. | \$ | Acct. no. | | |

VI. ASSETS AND LIABILITIES (cont'd)

| | | | | | |
|--|----|---|----|-------------------|-----------------------------|
| Name and address of Bank, S&L, or Credit Union | | Name and address of Company | | \$ Payment/Months | \$ |
| Acct. no. | \$ | Acct. no. | | | |
| Stocks & Bonds (Company name/ number & description) | | Name and address of Company | | \$ Payment/Months | \$ |
| | \$ | Acct. no. | | | |
| Life insurance net cash value | | Name and address of Company | | \$ Payment/Months | \$ |
| Face amount: \$ | | | | | |
| Subtotal Liquid Assets | | | | | |
| Real estate owned (enter market value from schedule of real estate owned) | | | | | |
| Vested interest in retirement fund | | | | | |
| Net worth of business(es) owned (attach financial statement) | | Acct. no. | | | |
| Automobiles owned (make and year) | | Alimony/Child Support/Separate Maintenance Payments Owed to: | | \$ | |
| Other Assets (itemize) | | Job-Related Expense (child care, union dues, etc.) | | \$ | |
| | | Total Monthly Payments | | \$ | |
| Total Assets a. | | Net Worth (a minus b) | | \$ | Total Liabilities b. |
| | \$ | | \$ | | \$ |

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

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

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

| Alternate Name | Creditor Name | Account Number |
|----------------|---------------|----------------|
| | | |

VII. DETAILS OF TRANSACTION

VIII. DECLARATIONS

| | | | | | | |
|---|----|--|--------------------------|--------------------------|--------------------------|--------------------------|
| a. Purchase price | \$ | <p>If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.</p> <p>a. Are there any outstanding judgments against you?</p> <p>b. Have you been declared bankrupt within the past 7 years?</p> <p>c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?</p> <p>d. Are you a party to a lawsuit?</p> <p>e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment?</p> <p>(This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name, and address of Lender, FHA or VA case number, if any, and reasons for the action.)</p> | Borrower | | Co-Borrower | |
| b. Alterations, improvements, repairs | | | Yes | No | Yes | No |
| c. Land (if acquired separately) | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Refinance (incl. debts to be paid off) | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Estimated prepaid items | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Estimated closing costs | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. PMI, MIP, Funding Fee | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Discount (if Borrower will pay) | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Total costs (add items a through h) | | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |