



To: Real Estate Applicant

HFS Federal Credit Union would like to thank you in advance for completing the attached Uniform Residential Loan Application. We strive to meet and exceed our member's financial goals and will work with you closely as you move through the Real Estate loan process. The application attached is designed to gather the majority of information we need to process your Real Estate needs. If you have any questions as you are completing the application please don't hesitate to contact us at 930-1436 or 930-1437. Remember we are here to help, and will walk you through each step. The completed application may be turned into any of our six branch locations and we will contact you within three (3) business days with a preliminary decision. If we are in need of further information or have questions about your application you will be notified as soon as possible.

Thank you again for taking the time to complete the attached application. It is our pleasure to help you make your Real Estate Loan process both easy and rewarding. We look forward to working with you in the near future.

Sincerely,

A handwritten signature in black ink that reads 'Lola L. Wakida'. The signature is written in a cursive, flowing style.

Lola L. Wakida
Assistant Loan Manager

REAL ESTATE APPLICANTS

A GUIDE TO FIRST & SECOND MORTGAGES

HFS Federal Credit Union is committed to providing quality financial products to its members. As your Credit Union we hope to help you achieve financial success and to make your dreams of home ownership a reality. Included in this document you will find our real estate lending requirements, terms and conditions for our mortgages, your responsibilities as an applicant, and documents necessary for loan processing.

LOAN REQUIREMENTS:

1. All property(s) must be located in the State of Hawaii.
2. All loans must be granted and approved under the status of owner occupant. This means that the dwelling is or will be the borrower's principal residence.
3. Maximum loan amount is \$625,500.00.

MORTGAGE TERMS:

HFS Federal Credit Union offers competitive First and Second Mortgages up to the following terms:

1 year for construction

10 years for unimproved property (must be accompanied with letter from member with statement of residency intent.)

30 years for improved property

MAXIMUM LOAN TO VALUE:

HFS Federal Credit Union uses the following guidelines when determining the amount of funds which may be borrowed on a first or second mortgage.

Type	Term	Maximum Loan to Value (As applicable)
First Mortgage: Improved Property	Up to 360 months (30 years)	HFS will fund no more than 80% of the appraised value, or No more than 80% of the value determined by an Exterior-only Inspection Residential Appraisal Report for loans not exceeding \$100,000.
First Mortgage Unimproved Property	Up to 120 months (10 years)	HFS will fund no more than 65% of the appraised value, or No more than 65% of the value determined by an Exterior-only Inspection Residential Appraisal Report for loans not exceeding \$100,000.
Second Mortgage	Up to 180 months (15 years)	HFS will fund no more than 80% of the appraised value less the First Mortgage balance, or No more than 80% of the value determined by an Exterior-only Inspection Residential Appraisal Report for loans not exceeding \$100,000 less First Mortgage Balance.

YOUR RESPONSIBILITIES AS AN APPLICANT:

Member will be responsible for all expenses incurred to secure the loan. This includes an initial deposit of \$800.00 to defray expenses for:

- a. Appraisal fee(s)
- b. Residential Mortgage Credit Report(s)
- c. Inspection fee(s)
- d. Flood Certification fee(s)
- e. Other incidental expenses that may be incurred to secure the loan.

Note: Member will pay before final closing, any outstanding expenses exceeding the \$800.00 deposit. Member will be refunded any balance of the \$800.00

initial deposit at first disbursement, or any balance can be applied to escrow costs.

DOCUMENTS NECESSARY TO PROCESS LOAN:

These documents are to be provided at time of submittal of written application or shortly thereafter. Please remember further processing of your loan may be delayed without having the following documents.

Type of Loan	Documents Needed	Additional Notes
Improved Property	<ol style="list-style-type: none"> 1. Copy of tax assessment 2. Copy of deed 3. Copy of Contract of Sale 4. Employment Verification 5. Deposit(s) Verification (current statements) 6. Copy of current paystubs (1 month's worth) 7. Prior 2 year's signed tax return 8. Prior 2 year's W2 for each applicant 9. Proof of Homeowner Insurance* 10. Proof of Hurricane Insurance* 11. Proof of Flood Insurance (if necessary)* 12. Evidence of Road Maintenance Agreement (if necessary) 13. Proof of First Mortgage balance (current statement) 14. First Mortgage Note (if applying for Second Mortgage) 	<p>*Maximum deductibles are as follows: Homeowner Insurance: \$2,500.00 Hurricane Insurance: 2% of value Flood Insurance: \$5,000.00</p> <p>Proof of homeowner, hurricane, and flood (if necessary) Insurance, must be provided by final closing.</p>
Construction	<ol style="list-style-type: none"> 1. All items under improved property; and: 2. Approved plans from County Planning Department 3. Performance Bond 4. Construction Contract 5. Copy of Building Permit 6. Completion Notice 7. Home Inspection must be done prior to final disbursement. 	
Unimproved	<ol style="list-style-type: none"> 1. Copy of tax assessment 	

Property	2. Copy of deed 3. Copy of Contract of Sale 4. Employment Verification 5. Deposit(s) Verification 6. Debt ratio computation 7. Prior 2 year's signed tax return	
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ADDITIONAL INFORMATION:

Appraisals:

- Member is required to pay all expenses borne by the appraiser.
- Appraisers must be licensed by the State of Hawaii and be on the approved list used by HFS FCU.
- No appraisal(s) will be used that are done by an appraiser not listed on the approved HFS FCU list and no appraisal(s) will be honored that are over 180 days old.

Inspections:

- Member will pay all expenses incurred by the Credit Union to perform inspection(s).

Processing Time:

- Estimated processing time is 4-6 weeks

OTHER:

All loans will be written to meet Secondary Market Requirements.

Modified 9/5/2018