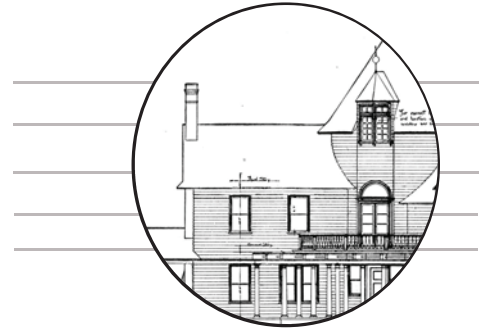


Southwest Airlines Federal Credit Union Arizona Home Equity Loan or Home Equity Line of Credit

Required Documents



Thank you for your recent inquiry regarding an Arizona Home Equity Loan. Please complete and return all of the following documents:

- Enclosed forms for completion in this packet:
 - Arizona Home Equity Line of Credit application or Second Mortgage Loan application signed by all owners/spouses
 - Borrower's Acknowledgment of Application Terms
- Proof of income to include copies of the last 30 days of pay stubs and the previous year's W-2. (self-employed borrowers should submit the last two years **complete** tax returns including **all schedules**.)
- A copy of the deed of trust.
- Current county real estate tax assessment statement.
- Homeowner's hazard insurance policy.
- Flood insurance policy (if applicable.)
- Most recent first mortgage statement indicating loan balance, lender phone number and loan account number.

The process: After your closing, federal law requires a three-business day right of rescission before your funds may be released. There are no up front fees; you will pay an early termination fee if your account is closed within the first 3 years.

Please contact your loan representative if you have any questions about the application or any of the required documents.

Sincerely,
Financial Services Officer

SOUTHWEST AIRLINES FEDERAL CREDIT UNION
2330 East Jones Avenue, Suite 6
Phoenix, AZ 85040
602-225-5000 800-2625PHX

Southwest Airlines Federal Credit Union

Borrower's Acknowledgement Of Application Terms

EQUAL CREDIT OPPORTUNITY ACT

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. Income which you receive as alimony, child support or separate maintenance need not be disclosed to this creditor unless you choose to rely on such sources to qualify for the loan. Income from these and other sources, including part-time or temporary employment, will not be discounted by this lender because of your sex or marital status. However, we will consider very carefully the stability and probable continuity of any income you disclose to us. The Federal Agency that administers compliance with this law concerning this creditor is:

NCUA
4807 Spicewood Springs Rd Suite 5200
Austin, TX 78759

To assist federal agencies charged with enforcing compliance with the Federal Equal Credit Opportunity Act, our company is required to ask applicants certain questions concerning race/national origin, sex, marital status and age. You are free to choose to answer or not answer these questions. Your decision will in no way affect the approval or disapproval of your application.

FAIR CREDIT REPORTING ACT

An investigation will be made as to the credit standing of all individuals seeking credit in this application. The nature and scope of any investigation will be furnished to you upon written request made within a reasonable period of time. In the event of denied credit due to an unfavorable consumer report, you will be advised of the identity of the Consumer Reporting Agency making such report and of right to request within sixty (60) days the reason for the adverse action, pursuant to provisions of section 615(b) of the Fair Credit Reporting Act.

FINANCIAL PRIVACY ACT

This is notice to you as required by the Right to Financial Privacy Act of 1978 that the Department of Housing and Urban Development and/or the Veterans Administration have/has a right of access to financial records held by a financial institution in connection with the consideration or administration of assistance to you. Financial records involving this transaction will be available to the Department of Housing and Urban Development and/or the Veterans Administration without further notice or authorization but will not be disclosed or released to another government agency or department without your consent, except as required or permitted by law.

INTEREST RATE NOTIFICATION

The undersigned acknowledge(s) that the interest rate contained in my/our application dated this date is the rate at which Southwest Airlines Federal Credit Union is currently accepting applications with similar terms as this application, and may be subject to change until guaranteed in writing by the credit union.

NON-REFUNDABLE CREDIT REPORT FEE

This is notification that the initial "Credit Report Fee" is non-refundable in the event your loan does not close for any reason. The credit report fee will be applied to closing costs at loan closing.

MORTGAGE DISCLOSURE IMPROVEMENT ACT NOTICE

You are not required to complete this agreement because you have received these disclosures or signed a loan application.

HAZARD INSURANCE NOTIFICATION

You have the right to choose the carrier of the required hazard insurance coverage subject to approval by Southwest Airlines Federal Credit Union.

The amount of hazard insurance coverage required for a first mortgage shall equal the lesser of (a) 100% of the insurable value of the improvements as established by the property insurer, or (b) the unpaid principal balance of the mortgage. However, notwithstanding the above coverage requirements, the hazard insurance coverage shall not be less than the amount necessary to provide full coverage for losses resulting from partial destruction to the improvements, which is usually 80% of the replacement cost of the improvements.

You must provide the closing agent with the original hazard insurance policy prior to closing. You must provide a paid receipt for the first year's premium or have funds available at the closing for the closing agent to pay the premium in full. The policy must be from a carrier acceptable the Southwest Airlines Federal Credit Union.

If it is determined prior to closing that this property is located in a Special Flood Hazard Area that has federally mandated flood insurance purchase requirements pursuant to the Flood Disaster Protection Act of 1973, we will advise you by letter and flood insurance coverage will be required. You must provide the closing agent with a copy of your application for flood insurance, if required, prior to closing. You must provide a paid receipt for the first year's premium or have funds available at closing for the closing agent to pay the premium.

For a condominium unit, you must provide a Certificate of Insurance (and flood insurance if required) policy together with an endorsement naming Southwest Airlines Federal Credit Union as mortgagee for the unit being financed.

All required insurance coverage must be in effect at closing. The Credit Union must be named as the Loss Payee on all physical damage insurance policies. The mortgagee clause must read:

Southwest Airlines Federal Credit Union
It's successors and/or assigns
P. O. Box 35108
Dallas, Texas 75235-0108

RIGHT TO RECEIVE A COPY OF AN APPRAISAL

You have the right to a copy of the appraisal report used in connection with your application for credit. If you wish a copy, please write to us at the mailing address we have provided. We must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application.

In the letter, give us your name, SWACU account number and daytime telephone number.

I certify that I have read and understand the above disclosures.

Applicant Signature

Date

Co-Applicant Signature

Date

SOUTHWEST AIRLINES FEDERAL CREDIT UNION
2430 SHORECREST
DALLAS, TX 75235
214-357-5577 800-2625DAL

Second Mortgage or Home Improvement Loan Application

TYPE LOAN APPLIED FOR	- Conventional - Secured - Unsecured	Amount \$ _____	Interest Rate _____ %	No. of Mos.	Monthly payment Principal & Interest	Property Type - Single Family Dwelling - Condo - 2-4 Family Dwelling - PUD - Other		
Address of property to be improved			Date purchased		Cash down payment	Purchase Price \$ _____	Present Value of Home \$ _____	
Title in name of:			Address of title holder		Mortgage Type: Is your present first mortgage a conventional graduated payment mortgage or an FHA 245 mortgage loan? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, attach payment schedule			
Yr. House built	No. of rooms	No. of bdrms.	No. of baths	Family room or den <input type="checkbox"/> Yes <input type="checkbox"/> No	Gross living area Sq. Ft.	Garage/Carport (Specify type & no.)	Central Air <input type="checkbox"/> Yes <input type="checkbox"/> No	
If this is a new residential structure, has it been completed and occupied for 90 days or longer? <input type="checkbox"/> Yes <input type="checkbox"/> No								
Improvements Planned (copies of estimate or itemized cost breakdown must be attached)						Type of Improvement		
						<input type="checkbox"/> Property Improvement <input type="checkbox"/> Rehabilitation / Modernization <input type="checkbox"/> Additions <input type="checkbox"/> Energy Conservation <input type="checkbox"/> Solar Installation		
The Co-Borrower Section and all other Co-Borrower questions must be completed and the appropriate box(es) checked if <input type="checkbox"/> another person will be jointly obligated with the Borrower on the loan, or <input type="checkbox"/> the Borrower is relying on income from alimony, child support or separate maintenance or on the income or assets of another person as a basis for repayment of the loan, or <input type="checkbox"/> the Borrower is married and resides, or the property is located, in a community property state.								
Borrower				Co-Borrower				
Name		DOB(mm/dd/yyyy)		Name		DOB(mm/dd/yyyy)		
Present Address (if different from above) No. Years _____ <input type="checkbox"/> Own <input type="checkbox"/> Rent Street _____ City / State / Zip _____				Present Address (if different from above) No. Years _____ <input type="checkbox"/> Own <input type="checkbox"/> Rent Street _____ City / State / Zip _____				
Former address if less than 2 years at present address Street _____ City / State / Zip _____ Years at former address _____ <input type="checkbox"/> Own <input type="checkbox"/> Rent				Former address if less than 2 years at present address Street _____ City / State / Zip _____ Years at former address _____ <input type="checkbox"/> Own <input type="checkbox"/> Rent				
Complete for secured or joint loans only <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried - (include single, divorced, widowed)			Dependents other than listed by Co-Borrower No. Ages	Complete for secured or joint loans only <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried - (include single, divorced, widowed)			Dependents other than listed by Borrower No. Ages	
Name and Address of Employer			Years employed in this line of work or profession? _____ Years Yrs. on this job _____ <input type="checkbox"/> Self Employed *	Name and Address of Employer			Years employed in this line of work or profession? _____ Years Yrs. on this job _____ <input type="checkbox"/> Self Employed *	
Position / Title		Type of Business		Position / Title		Type of Business		
Social Security Number **	Home Phone	Business Phone		Social Security Number **	Home Phone	Business Phone		

*FHLMC/FNMA require business credit report, signed Federal Income Tax returns for the last two years; and, if available, audited Profit and Loss Statement plus balance sheet for the same period.

Second Mortgage or Home Improvement Loan Application

Auto	Lien Holder:	Year and Make:						
	Lien Holder:	Year and Make:						
Real Estate	Name and Address of First Lien Holder of Security Property							
	Name and Address of Subordinate Lien Holder(s) of Security							
	List Debts on Other Real Estate Owned							
List any additional names under which credit has previously been received:			If not included in monthly mortgage payment enter the following:					
			Monthly payment for Taxes and Insurance					
			Monthly payment for Home Owner Association dues					
			Total Monthly Obligations					

IMPORTANT - APPLICANT READ BEFORE SIGNING

I / We apply for the loan indicated in this application which may be secured by a mortgage or deed of trust on the property described herein and represent that the property will not be used for any illegal or restricted purpose, and that all statements made in this application are true and are made for the purpose of obtaining the loan. Verification may be obtained from any source named in this application or through a credit reporting agency. The original or a copy of this application will be retained by the lender, even if the loan is not granted. I / We hereby consent to and authorize the lender, after the giving of reasonable notice to enter the improved property for the sole purpose of determining that the improvements specified in this application have been completed.

I / WE UNDERSTAND THAT THE SELECTION OF A CONTRACTOR OR DEALER, ACCEPTANCE OF MATERIAL USED AND WORK PERFORMED IS MY / OUR RESPONSIBILITY. THE LENDER DOES NOT GUARANTEE THE MATERIAL OR WORKMANSHIP.

I / We do or do not intend to occupy the property as my / our primary residence.

I / We understand that it may be a federal crime punishable by a fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of the United States Criminal Code.

_____ Date _____
 _____ Date _____

Borrower's Signature
 Co-Borrower's Signature