

Home Equity Early Disclosure

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT PLAN

This disclosure contains important information about our Home Equity Line of Credit Plan. You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS: All of the terms described below are subject to change. If these terms change (other than the annual percentage rate) and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees that you pay to us or anyone else in connection with your application.

SECURITY INTEREST: We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

POSSIBLE ACTIONS: We can terminate your line, require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if (1) you engage in fraud or material misrepresentation in connection with the plan; (2) you do not meet the repayment terms of this plan, or (3) your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if (1) any reasons mentioned above exist; (2) the value of the dwelling securing the line declines significantly below its appraised value for purposes of the line; (3) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances; (4) you are in default of a material obligation of the agreement; (5) government action prevents us from imposing the annual percentage rate provided for in the agreement; (6) the priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit line; (7) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound business practice, or (8) the maximum annual percentage rate is reached.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 5 years. This period is called the "draw period." At our option, we may renew or extend the draw period. After the draw period ends the repayment period will begin. The length of the repayment period will depend on the balance at the time of the last advance you obtain before the draw period ends. You will be required to make monthly payments during both the draw and repayment periods. At the time you obtain a credit advance a payoff period of 60, 120 or 180 monthly payments will be used to calculate your payment.

The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining to the maturity date. Your payment will be set to repay the balance after the advance within the payoff period. Your payment will be rounded up to the nearest dollar. Your payment will remain the same unless you obtain another credit advance. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit, and all other charges. Your payment will never be less than the smaller of \$50.00, or the full amount that you owe.

MINIMUM PAYMENT EXAMPLES:

60 Month Payoff: If you made only the minimum monthly payment and took no other credit advances it would take 5 years to pay off a credit advance of

\$10,000 at an **ANNUAL PERCENTAGE RATE** of 6.5%. During that period, you would make 59 payments of \$196.00 and one (1) final payment of \$172.94.

120 Month Payoff: If you made only the minimum monthly payment and took no other credit advances it would take 10 years to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.25%. During that period, you would make 119 payments of \$118.00 and one (1) final payment of \$16.27.

180 Month Payoff: If you made only the minimum monthly payment and took no other credit advances it would take 14 years 11 months to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.5%. During that period, you would make 178 payments of \$93.00 and one (1) final payment of \$94.87.

FEES AND CHARGES: In order to open, use and maintain a line of credit plan, you must pay the following fees to us:

Flood Zone Determination Fee: \$15.50 (Due at closing)
Annual Fee: \$50.00 (Due on each anniversary date)
Application Processing Fee: \$100.00 (Due at closing)

PROPERTY INSURANCE: You must carry insurance on the property that secures this plan. If the property is located in a Special Flood Hazard Area we will require you to obtain flood insurance if it is available.

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three business days of receiving this disclosure and the home equity brochure, you are entitled to a refund of any fee you may have already paid.

TAX DEDUCTIBILITY: You should consult a tax advisor regarding the deductibility of interest and charges for the plan.

ADDITIONAL HOME EQUITY PLANS: Please ask us about our other available home equity line of credit plans.

ANNUAL PERCENTAGE RATE INFORMATION: The **ANNUAL PERCENTAGE RATE** under this Plan is not based on an Index. It is based upon a fixed rate, which will be specified either at the time you receive a commitment or at closing, and will be based upon the market conditions at that time. An **ANNUAL PERCENTAGE RATE** of 6.50% is representative of a fixed rate recently offered by us for the 60 month payoff plan. An **ANNUAL PERCENTAGE RATE** of 7.25% is representative of a fixed rate recently offered by us for the 120 month payoff plan. An **ANNUAL PERCENTAGE RATE** of 7.50% is representative of a fixed rate recently offered by us for the 180 month payoff plan. The annual percentage rate does not include costs other than interest. Please ask us for the current annual percentage rate under this Plan.

The **ANNUAL PERCENTAGE RATES** used in this disclosure are representative of fixed rates offered by the credit union recently. Your rate will be based on your creditworthiness and loan-to-value ratio. Please ask the credit union for your particular rate.

