

**This disclosure contains important information about our Home Equity Line of Credit (“HELOC”).
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 you paid to us or anyone else in connection with your application.

SECURITY INTEREST: We will take a security interest on 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 line.
2. You do not meet the repayment terms.
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 reason mentioned above exists.
2. We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
3. You are in default of a material obligation in the agreement.
4. Government action prevents us from imposing the Annual Percentage Rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line.
5. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
6. The maximum Annual Percentage Rate is reached.
7. The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.

ANNUAL PERCENTAGE RATE: The annual percentage rate and periodic under your Plan is a Fixed Step Rate and not based on an index. To obtain the periodic rate, we divide the annual percentage rate by the number of days in a year (365). The initial annual percentage rate (step #1) will remain in effect until the date shown in your Home Equity Line of Credit Agreement. Following the expiration date, your annual percentage rate (step #2) will increase to the rate shown in your Home Equity Line of Credit Agreement and will apply to your entire outstanding account balance until maturity. The annual percentage rate includes only interest and no other costs. After you open a line of credit, rate information will be provided in periodic statements that we send you.

Increases in the Interest Rate will result in increases in the Finance Charge on the day of the change and will affect the amount of your scheduled payments during the Plan. When the annual percentage rate increases, we will adjust your payment to repay the balance within the original payoff period.

An Annual Percentage Rate of **2.99% – 6.99%** was recently offered by us under this Plan. Your rates may be different and will be disclosed to you at the time you open your account based on your creditworthiness. Ask us for the current annual percentage rates offered under this Plan.

MINIMUM PAYMENT REQUIREMENTS

When you open your plan you can choose the payoff period that will be used to calculate your monthly payment. The following plan options are available: 60 months with a 12 month draw period, 120 months with a 36 month draw period, and 180 months with a 36 month draw period.

You can obtain credit advances for 12 or 36 months depending on which Plan you choose and will be disclosed to you on your Home Equity Line of Credit Agreement. 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 obtained before the Draw period ends. You will be required to make monthly payments during both the draw and repayment periods.

At the time of each credit advance a payoff period of 60 months, 120 months or 180 months will be used to calculate your payment depending on which Plan you choose and will be disclosed to you on your Home Equity Line of Credit Agreement. 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 or change in interest rate within the payoff period. Your payment will be rounded up to the nearest dollar and subject to a minimum of \$100.00 or your account balance, whichever is less. Your payment will include any amounts past due and any amount by which you have exceeded your credit limit and all other charges.

MINIMUM PAYMENT EXAMPLE

60 month Term: If you made only the minimum monthly payment and took no other credit advances, it would take 60 months to pay off a credit advance of \$10,000.

- **Step #1** - ANNUAL PERCENTAGE RATE of 2.99%. During the draw period, you would make six (6) monthly payments of \$180.00.
- **Step #2** - ANNUAL PERCENTAGE RATE of 5.99%. During the remainder of the draw period and the repayment period, you would make 54 monthly payments of \$192.00 and one (1) final payment of \$184.77.

120 month Term: If you made only the minimum monthly payment and took no other credit advances, it would take 120 months to pay off a credit advance of \$10,000.

- **Step #1** - ANNUAL PERCENTAGE RATE of 2.99%. During the draw period, you would make six (6) monthly payments of \$100.00.
- **Step #2** - ANNUAL PERCENTAGE RATE of 6.74%. During the remainder of the draw period and the repayment period, you would make 113 monthly payments of \$114.00 and one (1) final payment of \$53.43.

180 month Term: If you made only the minimum monthly payment and took no other credit advances, it would take 146 months to pay off a credit advance of \$10,000.

- **Step #1** - ANNUAL PERCENTAGE RATE of 2.99%. During the draw period, you would make six (6) monthly payments of \$100.00.
- **Step #2** - ANNUAL PERCENTAGE RATE of 6.99%. During the remainder of the draw period and the repayment period, you would make 139 monthly payments of \$100.00 and one (1) final payment of \$82.33.

TRANSACTION LIMITATIONS: The minimum initial credit advance that you can receive is \$5,000.00. Second and subsequent advances \$500.00.

THIRD PARTY FEES: You may have to pay certain fees to third parties. These fees generally total between \$0.00 and \$800.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

LATE PAYMENT FEE: If your payment is more than 10 days late, you will be charged a late fee of 5.00% of the payment due.

NON-SUFFICIENT FUNDS FEE: You will be charged a fee of \$35.00 if any payment is returned for insufficient funds.

OVER THE CREDIT LIMIT FEE: You will be charged \$35.00 if you make an advance that would exceed your credit limit.

PROPERTY INSURANCE: You are required to carry insurance on the property that secures this Plan with the Credit Union listed as loss payee. We cannot require you carry an insurance policy in excess of the replacement cost of the improvements on the property securing your 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 line.