

IMPORTANT TERMS of our HOME EQUITY LINE OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF. ALL TERMS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED.

Availability Of Terms

All 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 Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

Possible Actions

Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing or selling the Security Property.

Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trusts/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement and applicable Finance Charges.

Minimum Payment Requirements

Standard Plan

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis. During the draw period, your minimum periodic payment will be an amount equal to the sum of all accrued but unpaid Finance Charges plus 0.50 of one percent of your unpaid principal balance as of the close of each billing cycle, subject to the lesser of \$50.00 or your account balance, plus any portion of the minimum payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds your approved credit limit.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding balance (the repayment period). The length of the repayment period will depend on the date and the amount of your last advance but in no event will exceed 120 months. During the repayment period your minimum periodic payment will be established on the first day of the repayment period in an amount equal to the sum of 1/120th of your then unpaid principal balance (except to the extent that the principal portion of your payment cannot be less than \$50.00) plus all accrued but unpaid Finance Charges as of the close of each billing cycle, plus any portion of the minimum payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds your approved credit limit.

Premium Plan

You can obtain credit advances for 120 months (the draw period). During the draw period, payments will be due on a monthly basis. During the draw period, your minimum periodic payment will be an amount equal to all accrued but unpaid Finance Charges as of the close of each billing cycle, plus any portion of the minimum payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds your approved credit limit.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding balance (the repayment period). The length of the repayment period will depend on the date and the amount of your last advance but in no event will exceed 120 months. During the repayment period your minimum periodic payment will be established on the first day of the repayment period in an amount equal to the sum of 1/120th of your then unpaid principal balance (except to the extent that the principal portion of your payment cannot be less than \$50.00) plus all accrued but unpaid Finance Charges as of the close of each billing cycle, plus any portion of the minimum payments shown on prior statement(s) which remains unpaid, plus any amount that exceeds your approved credit limit.

Minimum Payment Example

Standard Plan

If you made only the minimum payments and took no other credit advances, it would take 230 months to pay off an advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.75%. During that period, you would make 120 monthly payments varying between \$114.59 and \$63.11, followed by 109 payments varying between \$85.39 and \$50.52 and a final payment of \$30.06.

Standard Plan - Preferential Minimum Rate

If you made only the minimum payments and took no other credit advances, it would take 230 months to pay off an advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.75%. During that period, you would make 120 monthly payments varying between \$114.59 and \$63.11, followed by 109 payments varying between \$85.39 and \$50.52 and a final payment of \$30.06.

Premium Plan

If you made only the minimum payments and took no other credit advances, it would take 240 months to pay off an advance of \$10,000.00 at an **ANNUAL PERCENTAGE RATE** of 7.75%. During that period, you would make 120 monthly payments of \$64.59, followed by 119 monthly payments varying between \$147.92 and \$84.41 and a final payment of \$84.27.

Premium Plan - Preferential Minimum Rate

If you made only the minimum payments and took no other credit advances, it would take 240 months to pay off an advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 7.75%. During that period, you would make 120 monthly payments of \$64.59, followed by 119 monthly payments varying between \$147.92 and \$84.41 and a final payment of \$84.27.

Fees And Charges

To open and maintain a line of credit, you may have to pay the following fees to third parties:

<input checked="" type="checkbox"/> Appraisal Condition Evaluation Fee	\$ 0.00	to \$ 250.00	<input checked="" type="checkbox"/> Title Policy Fees	\$ 65.00	to \$ 98.00
<input type="checkbox"/> Appraisal Fee	\$ 0.00	to \$ 650.00	<input type="checkbox"/> Credit Report Fees	\$ 4.00	to \$ 25.00
<input checked="" type="checkbox"/> Mortgage Recording Fee	\$ 210.00	to \$ 214.00	<input type="checkbox"/> Other Recording Fees	\$ 0.00	to \$ 445.00
<input checked="" type="checkbox"/> Flood Hazard Fee	\$ 0.00	to \$ 15.75	<input type="checkbox"/> Title Services Fees	\$ 0.00	to \$ 250.00

The fees and charges shown above that are preceded by a marked checkbox (e.g.) will be paid by the Credit Union if You agree to maintain Our security interest on the Security Property securing Your Account for at least 36 consecutive months following the Date of Agreement. If Our security interest in the Security Property securing Your Account is cancelled for any reason within the 36-month period following the Date of Agreement, You will be required to reimburse Us for these fees and charges as an advance on Your Account immediately preceding the time Your Account is closed.

Insurance

You must carry insurance on the property that secures this plan.

Minimum Draw And Balance Requirements

The minimum credit advance you can receive is \$250.00.

Tax Deductibility

You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

Variable Rate Feature

These plans have a Variable Rate feature. The Annual Percentage Rate (corresponding to the periodic rate) and the amount of your scheduled payments during the draw and repayment periods can change as a result. The Annual Percentage Rate includes only interest and no other costs. The Annual Percentage Rate is based on the value of an index. The index is the highest Prime Rate as published in the Money Rates Section of The Wall Street Journal in effect on the last business day of each month. If more than one rate is shown, we will use the higher rate.

To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, discount or premium and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

Rate Changes

Your Annual Percentage Rate can change on the first day of each month. There is no limit on the amount by which the interest rate can change during any one year period other than the maximum and minimum Annual Percentage Rates that can apply at any time to this account.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 18.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 3.50%.

Preferential Minimum Rate

If you agree to maintain the Security Property's first mortgage with us, the minimum rate applicable to your line of credit will be reduced by 0.50%. If you agree to maintain the Security Property's first mortgage with us and fail to do so, the minimum rate applicable to your line of credit will be increased by the amount of such reduction.

Maximum Rate And Payment Examples

Standard Plan

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$200.02. This Annual Percentage Rate could be reached during the 2nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$233.35. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Premium Plan

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$150.02. This Annual Percentage Rate could be reached during the 2nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.00% would be \$233.35. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

Other Products

If you ask, we will provide you with information on any other home equity products we offer.

Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2009. The index is from The Wall Street Journal and is calculated on the first business day of July of each year. While only one payment amount per year is shown, payments may have varied during the year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future.

Standard Home Equity

Year	Index	Margin (1)	ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
			(2)	(3)		(2)	(3)
2009	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$79.17	\$75.00
2010	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$74.55	\$70.62
2011	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$70.20	\$66.50
2012	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$66.10	\$62.62
2013	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$62.24	\$58.96
2014	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$58.61	\$55.52
2015	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$55.19	\$52.28
2016	3.50	-0.50	3.50% ⁽⁴⁾	3.00%	DRAW	\$51.96	\$50.00 ⁽⁶⁾
2017	4.25	-0.50	3.75%	3.75%	DRAW	\$50.20	\$50.00 ⁽⁶⁾
2018	5.00	-0.50	4.50%	4.50%	DRAW	\$50.78	\$50.56
2019	5.50	-0.50	5.00%	5.00%	REPAYMENT	\$72.74	\$72.63
2020	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	REPAYMENT	\$64.17	\$62.08
2021	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	REPAYMENT	\$62.42	\$60.58
2022	4.75	-0.50	4.25%	4.25%	REPAYMENT	\$62.95	\$62.86
2023	8.25	-0.50	7.75%	7.75%	REPAYMENT	\$69.74	\$69.57

- (1) This represents a Margin we have recently used.
- (2) This represents the Annual Percentage Rate and Minimum Payment for our Standard Lines of Credit without a preferential minimum rate.
- (3) This represents the Annual Percentage Rate and Minimum Payment for our Standard Lines of Credit with a preferential minimum rate.
- (4) This represents the minimum interest rate for our Standard Lines of Credit without a preferential minimum rate.
- (5) This represents the minimum interest rate for our Standard Lines of Credit with a preferential minimum rate.
- (6) This represents the minimum payment.

Premium Home Equity

Year	Index	Margin (1)	ANNUAL PERCENTAGE RATE		Payment Period	Minimum Payment	
			(2)	(3)		(2)	(3)
2009	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$29.17	\$25.00
2010	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$29.17	\$25.00
2011	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$29.17	\$25.00
2012	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$29.17	\$25.00
2013	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$29.17	\$25.00
2014	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$29.17	\$25.00
2015	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	DRAW	\$29.17	\$25.00
2016	3.50	-0.50	3.50% ⁽⁴⁾	3.00%	DRAW	\$29.17	\$25.00
2017	4.25	-0.50	3.75%	3.75%	DRAW	\$31.25	\$31.25
2018	5.00	-0.50	4.50%	4.50%	DRAW	\$37.50	\$37.50
2019	5.50	-0.50	5.00%	5.00%	REPAYMENT	\$125.00	\$125.00
2020	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	REPAYMENT	\$109.58	\$105.83
2021	3.25	-0.50	3.50% ⁽⁴⁾	3.00% ⁽⁵⁾	REPAYMENT	\$106.67	\$103.33
2022	4.75	-0.50	4.25%	4.25%	REPAYMENT	\$108.12	\$108.12
2023	8.25	-0.50	7.75%	7.75%	REPAYMENT	\$122.09	\$122.09

- (1) This represents a Margin we have recently used.
- (2) This represents the Annual Percentage Rate and Minimum Payment for our Premium Lines of Credit without a preferential minimum rate.
- (3) This represents the Annual Percentage Rate and Minimum Payment for our Premium Lines of Credit with a preferential minimum rate.
- (4) This represents the minimum interest rate for our Premium Lines of Credit without a preferential minimum rate.
- (5) This represents the minimum interest rate for our Premium Lines of Credit with a preferential minimum rate.