



REAL ESTATE LENDING

POWERED BY
CUNA MUTUAL
GROUPHOME 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.

FIXED ANNUAL PERCENTAGE RATE AND VARIABLE RATE FEATURE: During the first 10 years of your draw period, the annual percentage rate will not be based on an index value. It will be based upon a fixed rate which will be specified at closing and will be based upon the market conditions at that time. An **ANNUAL PERCENTAGE RATE** of 7.75% is representative of a fixed rate recently offered by us. The fixed annual percentage rate includes only interest and no other costs. Please ask us for the current fixed annual percentage rate under this plan.

This plan also contains a variable rate feature beginning with the 11th year of the plan, and the annual percentage rate (corresponding to the periodic rate) may change as a result. The annual percentage rate includes only interest and no other costs.

The annual percentage rate for the variable rate portion of the plan rate is based on the value of an index. The index is the Prime Rate published in the *Wall Street Journal*. When a range of rates has been published, the highest rate is used. We will use the most recent index value available to

us as of 30 days before the date of any annual percentage rate adjustment.

To determine the annual percentage rate that will apply to your account, we add a margin to the value of the index. If the rate is not already rounded we then round up to the next .25%. Ask us for the current index value, margin and annual percentage rate. After you open a plan, rate information will be provided on periodic statements that we send you.

MINIMUM PAYMENT REQUIREMENTS: You can obtain credit advances for 10 years. This period is called the "draw period." During the draw period your minimum monthly payment will be 1.25% of the outstanding balance each month or \$25.00 whichever is greater. After the draw period ends you will no longer be able to obtain advances. The draw period will end if we close the line to any future advances or if you ask us to close the line.

At the beginning of the repayment period, we will recalculate your payment. Your payment will be amortized to repay the balance at the current variable annual percentage rate over 240 monthly payments.

During the repayment period your payment will be rounded up to the next dollar. Each time the annual percentage rate changes, we will adjust your payment to repay the balance within the original 240 months. You will be required to pay 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 \$25.00 or the full amount that you owe.

RATE CHANGES: The annual percentage rate will change to a variable rate at the beginning of the 11th year of the plan. The annual percentage rate is subject to change monthly on the first day of the billing cycle each month, based on any changes to the index (Prime Rate). There is no limit on the amount by which the annual percentage rate can change during any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 15.0%. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 4.5% at any one time during the term of the Plan.

MINIMUM PAYMENT EXAMPLE: If you made only the minimum monthly payment and took no other credit advances it would take 30 years to pay off a credit advance of \$10,000. During that period, you would make 120 payments of \$60.81 to \$125.00 at an **ANNUAL PERCENTAGE RATE** of 7.75%, followed by 239 payments of \$39.00 and one (1) final payment of \$18.32 at an **ANNUAL PERCENTAGE RATE** of 7.5%.

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

Annual Fee: \$. An annual fee will be charged on the yearly anniversary date of your Plan.

You must pay certain fees to third parties to open the plan. These fees generally total between \$100.00 and \$1200.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

If Seven Seventeen Credit Union Inc. pays any third party fees on your behalf, and you pay the loan in full and you close your line of credit for future advances within two years from the date of the credit agreement, you agree to reimburse us for the bona fide third party fees paid on your behalf.

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

REFUNDABILITY OF FEES: If you decide not to enter into this plan within three 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.

VISA® ACCESS: Upon your request and our approval, we will issue a VISA credit card to access this home equity plan.

MAXIMUM RATE AND PAYMENT EXAMPLE: If you had an outstanding balance of \$10,000 during the draw period, the minimum payment at the

maximum **ANNUAL PERCENTAGE RATE** of 15.0% would be \$125.00. This annual percentage rate could be reached at the time of the 121st payment during the draw period. If you had an outstanding balance of \$10,000 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 15.00% would be \$132.00. This annual percentage rate could be reached at the time of the 1st payment during the repayment period.

HISTORICAL EXAMPLE: The following table shows how the annual percentage rate and the minimum payments for a single \$10,000 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the last business day of January of each year.

While only one payment per year is shown, payments may have varied during each 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 each year. It does not necessarily indicate how the index or your payments will change in the future.

**WALL STREET JOURNAL PRIME RATE INDEX TABLE
FIXED ANNUAL PERCENTAGE RATE AND VARIABLE RATE FEATURE**

Year (as of the last business day of January)	Index (Percent)	Margin ⁽¹⁾ (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2009.....	3.250	0.00	7.750 ⁽²⁾	\$125.00
2010.....	3.250	0.00	7.750 ⁽²⁾	\$116.23
2011.....	3.250	0.00	7.750 ⁽²⁾	\$108.08
2012.....	3.250	0.00	7.750 ⁽²⁾	\$100.50
2013.....	3.250	0.00	7.750 ⁽²⁾	\$93.47
2014.....	3.250	0.00	7.750 ⁽²⁾	\$86.91
2015.....	3.250	0.00	7.750 ⁽²⁾	\$80.82
2016.....	3.500	0.00	7.750 ⁽²⁾	\$75.15
2017.....	3.750	0.00	7.750 ⁽²⁾	\$69.89
2018.....	4.500	0.00	7.750 ⁽²⁾	\$64.99
2019.....	5.500	0.00	5.500	\$25.00 ⁽⁴⁾
2020.....	4.750	0.00	4.750	\$25.00 ⁽⁴⁾
2021.....	3.250	0.00	4.500 ⁽³⁾	\$25.00 ⁽⁴⁾
2022.....	3.250	0.00	4.500 ⁽³⁾	\$25.00 ⁽⁴⁾
2023.....	7.500	0.00	7.500	\$25.00 ⁽⁴⁾

⁽¹⁾ This is a margin we have used recently; your margin may be different.
⁽²⁾ This **ANNUAL PERCENTAGE RATE** reflects a fixed rate that we have provided recently, your plan may reflect a different amount.
⁽³⁾ This **ANNUAL PERCENTAGE RATE** reflects a 4.500% floor.
⁽⁴⁾ This payment reflects the minimum payment of \$25.00.