



**IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT**

This disclosure contains important information about your Home Equity Open-End 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 any of 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 paid 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:**

**Termination and Acceleration**

We can terminate the Home Equity Open-End Credit Plan and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- (a) you commit fraud or material misrepresentation at any time in connection with this Plan;
- (b) you do not meet the repayment terms of this Plan;
- (c) your action or inaction adversely affects the collateral for the Plan or our rights in the collateral.

**Suspension or Reduction**

We can refuse to make additional extensions of credit or reduce your credit line if:

- (a) the value of your dwelling declines significantly below its appraised value for purposes of this Plan;
- (b) we reasonably believe that you will not be able to meet the repayment requirements due to a material change in your financial circumstances;
- (c) you are in default of a material obligation of this Plan;
- (d) government action prevents us from imposing the **ANNUAL PERCENTAGE RATE** provided for under this Plan or impairs our security interest such that the value of the interest is less than 120 percent of the credit line;
- (e) a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice;
- (f) the maximum **ANNUAL PERCENTAGE RATE** under this Plan is reached.

**Change in Terms**

Our home equity credit agreement permits us to make certain changes to the terms of this Plan at specified times or upon the occurrence of specified events.

**Minimum Payment Requirements:** You can obtain advances of credit for 10 year(s) (the "draw period"). At our option, we may renew or extend the draw period. After the draw period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance on your account (the "repayment period"). The length of the repayment period is 10 year(s). During the draw and repayment periods, payments will be due monthly. Your minimum monthly payment will equal the greater of 1% of the outstanding balance each month or the amount needed to repay the balance over 120 months or \$50.00. The minimum payment will change whenever the annual percentage rate changes. Each time the annual percentage rate changes, we will adjust your payment to repay the balance within the original 120 month period. Your payment will include any amount past due and any amount by which you have exceeded your credit limit, and all other charges. If the interest rate increases, you will be required to make higher payments or more payments until the balance is paid.

**Minimum Payment Example:** If you made only the minimum monthly payment and took no other credit advances, it would take 10 year(s) to pay off a credit advance of \$10,000 at an **ANNUAL PERCENTAGE RATE** of 10.50%. During that period, you would make 119 payments of \$134.94, with a final payment of \$133.90.

**Fees and Charges:** To open and maintain an account, you must pay the following fees to us:

*Late Charges:* If a payment is more than 10 days late, you will be charged \$30.00.

*Non-Sufficient Funds Fee:* We will charge you a fee of \$35.00 if you pay your account with an insufficient funds check.

To open your account, you may pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies. These fees generally total between \$650.00-\$850.00. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

**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.

**Access to the Plan:** You may obtain advances under your plan by mail, by telephone, electronically, or in person.

**Transaction Requirements:** The minimum initial credit advance must be at least \$10,000.00. There is a minimum of \$500.00 for subsequent advances.

**Tax Deductibility:** You should consult a tax advisor regarding the deductibility of interest and charges for this Plan.

**Refundability of Fees:** If you decide not to enter into this Plan within three business days of receiving this disclosure and the handbook entitled "What You Should Know About Home Equity Lines of Credit," you are entitled to a refund of any fees you may have already paid.

**Variable Rate Feature:** This Plan has a variable rate and the **ANNUAL PERCENTAGE RATE** and corresponding periodic rate and minimum payment can change as a result. The **ANNUAL PERCENTAGE RATE** does not include costs other than interest.

The **ANNUAL PERCENTAGE RATE** is based on the value of an index. The index is the highest rate of interest identified as the 'Prime Rate' in the 'Money Rates' section of the Wall Street Journal. To determine the **ANNUAL PERCENTAGE RATE** that will apply to your account, we add a margin based on your creditworthiness to the value of the index.

Ask us for the current index value, margins and **ANNUAL PERCENTAGE RATES**. After you open an account, rate information will be provided on periodic statements that we send you.

**Rate Changes:** The annual percentage rate can change every 3 years on the first day of the month following the date when the Plan was opened. There is no limit on the amount by which the rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 3% at any time during the term of the Plan.

**Maximum Rate and Payment Example:** If you had an outstanding balance of \$10,000, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18% would be \$180.19. This Annual Percentage Rate could be reached during the first month.

**Prepayment:** You may prepay all or any amount owing under this Plan without penalty except as set forth in the Early Termination; Lien provision below. Payment in full shall not terminate this agreement or cancel the security instrument securing this Plan unless you specifically request that I do so.

**Early Termination Fee; Lien:** If you close this Plan within 36 months of the date you opened the Plan, you will have to pay an Early Termination fee of \$500.00. We may take this fee from your savings or checking account or you may pay this fee in any other manner acceptable to us. **The Early Termination Fee shall be secured by the Deed of Trust or Mortgage securing this Plan, and Greater Eastern Credit Union's Lien against the Property shall not be satisfied, nor the Deed of Trust or Mortgage released, until the Fee is paid in full.** Additionally, the Fee will be added to the payoff amount (including the beneficiary's demand) and must be paid prior to the issuance of any reconveyance.

**Historical Example:** The following table shows how the 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 first Monday in August. If the first Monday is a holiday then the index values are from the first business day following that Monday.

The table assumes that no additional credit advances were taken and that only the minimum payment was made. It does not necessarily indicate how the index or your payments would change in the future.

YEAR	INDEX (%)	MARGIN (1) (Percent)	ANNUAL PERCENTAGE RATE	MONTHLY PAYMENT (Dollars)
2009	3.25	2.00	5.25	\$107.29
2010	3.25	2.00	5.25 (2)	\$107.29
2011	3.25	2.00	5.25 (2)	\$107.29
2012	3.25	2.00	5.25	\$107.29
2013	3.25	2.00	5.25 (2)	\$107.29
2014	3.25	2.00	5.25 (2)	\$107.29
2015	3.25	2.00	5.25	\$107.29
2016	3.50	2.00	5.50	\$107.70
2017	4.25	2.00	5.50 (2)	\$107.70
2018	5.00	2.00	5.50 (2)	\$107.70
2019	5.25	2.00	7.25	
2020	3.25	2.00	7.25 (2)	
2021	3.25	2.00	7.25 (2)	
2022	5.50	2.00	7.50	
2023	8.50	2.00	7.50 (2)	

1. This is a margin we have used recently; your margin may be different and based on your creditworthiness.
2. This Annual Percentage Rate is the same as the previous rate since the rate can only change every 3 years.