

CONSUMERS CHOICE CREDIT UNION
2510 Weiss Street
Saginaw, MI 48602
(517) 799-5580

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

This disclosure contains important information about our Home Equity Line of Credit. 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 mortgage 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 if:

- You engage in fraud or material misrepresentation in connection with the line.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the line declines significantly below its appraised value for purposes of the line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.

- You are in default of a material obligation in the agreement.

▪ 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.

- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum annual percentage rate is reached.

Minimum Payment Requirements: The length of the draw period (the time between the effective date and the date of the last advance) is ten (10) years during which time you will be able to obtain credit advances. The Credit Union at its option may extend the draw period. After the draw period ends, the repayment period begins. 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. During both the draw period and repayment period, payments are due monthly. At the time of each credit advance a payoff period will be established. The payoff period may vary depending on the amount of your outstanding credit balance after you obtain an advance. The payoff period is shown in the following table:

Range of Balances	Payoff Period
Up to \$ 5,000	60 Monthly Payments
\$ 5,001 - \$10,000	96 Monthly Payments
\$10,001 - \$15,000	120 Monthly Payments
\$15,001 - \$25,000	180 Monthly Payments
\$25,001 - and above	240 Monthly Payments

The payoff period will always be the shorter of the payoff period for your outstanding balance or the time remaining. Your payment will be set to repay the balance after the advance, at the current annual percentage rate, within the payoff period. Your payment may also change if the annual percentage rate increases or decreases. A change in the annual percentage rate can cause the balance to be repaid more quickly or more slowly. We will check your plan every year to determine the effect any annual percentage rate increase has had on your payment. If the annual percentage rate has increased so much that your payment is not sufficient to repay the balance within the payoff period, we will adjust your payment to repay the balance within the original payoff period. Each time the annual percentage rate increases we will check to see if the payment is sufficient to pay the interest that is due. If not, we will increase your payment by the amount necessary to repay the balance at the new annual percentage rate within the original payoff period. If, after our last review of your plan prior to the final payment date, the annual percentage rate increases so much that your payment is not sufficient to repay the balance before the final payment date you will be required to make more payments of the same amount. 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 \$75.00 or the full amount you owe.

Minimum Payment Example: If you made only the minimum payment and took no other credit advances, it would take 7 years and 3 months to pay off a credit advance of \$10,000 at an ANNUAL PERCENTAGE RATE of 10.250%. You would make 96 monthly payments of \$153.07 during the draw period.

Third Party Fees: You must pay certain fees to third parties. These fees generally total between \$125.00 and \$400.00. If you ask, we will give you 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 loan.

Transaction Requirements: The minimum amount of the first draw is \$2500.00. The minimum draw you can receive after the first draw is \$1,000.00.

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

Variable-Rate Feature: This plan has a variable-rate feature and the annual percentage rate (corresponding to the periodic rate), and minimum payment 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.

Description of Index: The index is the Prime Rate as published in the *Wall Street Journal*.

Source of Index: The index is published in the *Wall Street Journal*. We will use the most recent index value available to us. If the index is no longer available, we will choose a new index which is based on comparable information. To determine the annual percentage rate that will apply to your line, we add a margin to the value of the index. Ask us for the current index value, margin, and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

Rate Changes: The annual percentage rate can change semi-annually on the first day of January and July. There is no limit on the amount by which the Annual Percentage Rate can change during any one year period. The ANNUAL PERCENTAGE RATE will never be more than 18.000%. However, under no circumstances will your ANNUAL PERCENTAGE RATE go below 8.000% during the term of the Plan.

Maximum Rate and Payment Examples: If you had an outstanding balance of \$10,000 at the beginning of the draw period, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$197.23. This annual percentage rate could be reached in the first six months of the draw period.

Historical Examples: 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 last 15 years.

The index values are from the first business day in January of each year. While only one payment amount per year is shown, payments would have varied slightly during the year.

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

The margin indicated above is one that we have used recently. Yours may be different based upon your credit worthiness.

<u>YEAR</u>	<u>INDEX (%)</u>	<u>MARGIN (%) *</u>	<u>ANNUAL PERCENTAGE RATE</u>	<u>MINIMUM PAYMENT (\$)</u>
1983	10.500	2.000	12.500	165.29
1984	13.000	2.000	15.000	177.97
1985	9.500	2.000	11.500	162.37
1986	8.000	2.000	10.000	156.87
1987	8.250	2.000	10.250	157.61
1988	9.500	2.000	11.500	160.49
1989	11.000	2.000	13.000	162.89
1990	10.000	2.000	12.000	162.04
1991	9.500	2.000	11.500	
1992	6.500	2.000	8.500	
1993	6.000	2.000	8.000	
1994	6.000	2.000	8.000	
1995	8.500	2.000	10.500	
1996	8.500	2.000	10.500	
1997	8.250	2.000	10.250	

* This is a margin we have used recently. Your margin may be different.

** This ANNUAL PERCENTAGE RATE reflects a 8.000% minimum rate limitation.

I/We hereby acknowledge receipt of this disclosure and a copy of the home equity brochure or comparable publication provided by the lender.

(Recipient)

Date

(Recipient)

Date