

Tyndall Federal Credit Union

**HELOC EARLY DISCLOSURE AND
IMPORTANT TERMS OF LINE OF CREDIT PLAN**

This disclosure contains important information about the **Tyndall Federal Credit Union** home equity line of credit account. You should read it carefully and keep a copy for your records.

Availability of Terms. All of the terms below are subject to change. If any of the following 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 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 your obligations in your Home Equity Line of Credit Agreement.

Possible Actions. We can terminate your line of credit, require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- You engage in fraud or material misrepresentation in connection with the line of credit.
- You do not meet the repayment terms of the line of credit.
- Your action or inaction adversely affects the collateral (your home) or our rights in the collateral.

We can refuse to make additional extensions of credit ("advances") or reduce your credit limit if:

- The value of the collateral securing the line is significantly below its appraised value for purposes of the line of credit.
- We reasonably believe that you will not be able to meet the repayment requirements of the line of credit 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 in the agreement or impairs our security interest such that the value of the interest is less than 120% of your credit limit.
- A regulatory agency notifies us that continued advances would constitute an unsafe and unsound practice.
- The maximum annual percentage rate is reached.

The initial account agreement permits us to make certain changes to the terms of the agreement at specified times or upon the occurrence of specified events.

Minimum Payment. You will be required to make monthly payments during both the draw and repayment periods. Your payment during the Draw Period will be .250% of the outstanding balance on your Account plus Finance Charges that accrued on the outstanding balance during the preceding month, or \$30, whichever is greater. Your payment during the Repayment period will be amortized over 120 months, at The Wall Street Prime Rate published at the time your repayment begins, plus the index you have been approved at. Should the time remaining to your maturity be less than 120 months it will be amortized as described above, over the time remaining. 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 \$30.00, or the full amount that you owe.

Minimum Payment Example. If you took a single \$10,000 advance and the **ANNUAL PERCENTAGE RATE** were 3.500%, it would take 20 years to pay off the advance if you made only the minimum



payment. During the draw period you would make 120 monthly payments of \$54.17, followed by 120 monthly payments of \$98.91 during the repayment period.

Fees and Charges. To open and maintain a line of credit, you must pay us the following fees:

Not Applicable

You also must pay certain fees to third parties to open a line of credit such as appraisers, title companies and government agencies. These fees generally total between \$150.00 and \$1500.00. In addition, you must carry insurance on the property that secures the line of credit. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Finance Charge Accrual. The periodic interest finance charge begins to accrue on the date that a Loan Advance is made from your Account.

Minimum Advance Requirements. You are required to take a minimum initial advance of \$1,000.00.

Tax Deductibility. You should consult a tax advisor regarding the deductibility of interest and charges on your line of credit.

Variable Rate Information. This line of credit has a variable rate of interest. The annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result.

The annual percentage rate includes only interest and not 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" table of the online or print edition of *The Wall Street Journal*. To determine the annual percentage rate that will apply to your line, we add a margin ("Margin") of -0.010% to the value of the index. If the annual percentage rate is not already rounded, we then round to the nearest 0.001%.

Rate Changes. The annual percentage rate can change monthly. However, the annual percentage rate will not change if the increase or decrease in the index since the last adjustment is less than 0.125%. The rate cannot increase or decrease more than 2.000% at each adjustment. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000% or the maximum permitted by law, whichever is less. However, under no circumstances will your **ANNUAL PERCENTAGE RATE** go below 3.240% at any time during the term of the plan.

Maximum Rate and Payment Example. If you had an outstanding balance of \$10,000 during the draw period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000% would be \$175.00. If you had an outstanding balance of \$10,000 during the repayment period, the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000% would be \$180.30. This annual percentage rate could be reached in 9 months.



Historical Example. The following table shows how the annual percentage rate and the monthly payments for a single \$10,000 advance would have changed based on changes in the Index over the past 15 years. The Index values are from the first business day of June, of each year. While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional advances were taken, that only the minimum payment was made each month, 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.

Year	Index (%)	Margin* (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2003	4.250	-0.010	4.240	34.85
2004	4.000	-0.010	3.990	32.79
2005	6.000	-0.010	5.990	49.23
2006	8.000	-0.010	7.990	65.67
2007	8.250	-0.010	8.240	67.73
2008	5.000	-0.010	4.990	41.01
2009	3.250	-0.010	3.240	30.00
2010	3.250	-0.010	3.240	30.00
2011	3.250	-0.010	3.240	30.00
2012	3.250	-0.010	3.240	30.00
2013	3.250	-0.010	3.240	95.99
2014	3.250	-0.010	3.240	95.99
2015	3.250	-0.010	3.240	95.99
2016	3.500	-0.010	3.490	96.81
2017	4.000	-0.010	3.990	98.23

*This is a margin we have used recently

