



P.O. Box 20525  
Phoenix, AZ 85036

**IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT - FIXED RATE**

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 prior to the opening of your Home Equity account. 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 Requirement:** The length of the draw period is five (5) years. The Credit Union at its option may extend the draw period. After the Draw Period ends the repayment period will begin and you will no longer be able to obtain credit advances. The length of the repayment period is 10 years (120 months). Your minimum monthly payment will equal the greater of 1.10% of your outstanding loan balance or \$110.00 plus any past due amount, plus any amount in excess of your credit limit and all other charges. You agree to always pay the minimum amount due on or before the due date.

**Minimum Payment Example:** If you made only the minimum payment and took no other credit advances, it would take 8 years and 65 months to pay off a credit advance of 10,000 at an ANNUAL PERCENTAGE RATE of 4.750%. You would make 84 monthly payments of \$110.00 during the draw period. You would make 17 monthly payments of \$120.00 during the repayment period. You would then make a final payment of \$38.56.

**Transaction Requirements:** The minimum amount of the first draw is \$500.00. The minimum draw you can receive after the first draw is \$500.00.

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

**Third Party Fees:** You must carry insurance on the property that secures the loan.

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